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ANNUAL REPORT
OF THE
GOVERNOR GENERAL
OF THE PHILIPPINE ISLANDS
1925



MESSAGE FROM THE PRESIDENT OF THE
UNITED STATES TRANSMITTING THE REPORT OF THE
GOVERNOR GENERAL OF THE PHILIPPINE ISLANDS
INCLUDING THE REPORTS OF THE HEADS OF
THE DEPARTMENTS OF THE PHILIPPINE
GOVERNMENT FOR THE FISCAL YEAR
ENDED DECEMBER 31, 1925



DECEMBER 9, 1926.—Referred to the Committee on Insular Affairs
and ordered to be printed with accompanying papers

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON
1927

1925

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MESSAGE

To the Congress of the United States:

As required by section 21 of the act of Congress approved August 29, 1916 (39 Stat. 545), entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands," I transmit herewith, for the information of the Congress, the report of the Governor General of the Philippine Islands, including the reports of the heads of the departments of the Philippine government, for the fiscal year ended December 31, 1925.

I concur in the recommendation of the Secretary of War that this report be printed as a congressional document.

CALVIN COOLIDGE.

THE WHITE HOUSE,
December 9, 1926.

ANNUAL REPORT OF THE GOVERNOR GENERAL OF THE PHILIPPINE ISLANDS

FOR THE YEAR ENDED DECEMBER 31, 1925

OFFICE OF THE GOVERNOR GENERAL,
Manila, June 23, 1926.

SIR: I have the honor to submit the following report for the year ending December 31, 1925:

GENERAL STATEMENT

During the year I visited all portions of the archipelago, including all provinces except one, all cities, and most of the larger towns. I found everywhere a contented and happy people, living under steadily improving conditions and in no way disturbed by the political propaganda from Manila, but, on the contrary, devoting most of their time to the conduct of their personal affairs. Their attitude everywhere, as in previous years, was marked by courtesy and hospitality. The spirit of insular, provincial, and municipal officials has been one of cordial cooperation.

Business conditions have steadily improved and taxes have been better paid than in previous years, the balance of trade has been heavily in our favor, exchange has been stable and at times a little in favor of the islands, and revenues have steadily increased. Public order has been excellent with the exception of some minor disturbances in the Moro country and one in Nueva Ecija, resulting from the lawless activities of a secret society organized for the purpose of seizing property of wealthy citizens. It was short lived and was promptly broken up by the constabulary, with some loss of life on the part of the outlaws.

There have been very few applications for remission of taxes or requests for delay in payment thereof. There have been no applications to the government for aid on account of food shortage from floods, typhoons, or other disasters, and a spirit of self-helpfulness was more in evidence than heretofore. There have been no extensive losses of food crops. Losses from locusts have been very much less than in preceding years. Indeed there has been a gradual reduction in damage by locusts during the past three years. There has been some rinderpest, but much less than in 1923 and 1924. The people are gradually coming to appreciate the advantage of protective vaccination of their cattle and are taking advantage of the opportunity offered to a greater extent than heretofore. However, the campaign for general antirinderpest vaccination will require vigorous encouragement before the people as a whole appreciate its value. There has been very little anthrax during the year. The total value

of crops increased markedly over that of the preceding year; that of the six leading crops exceeded the value of the six leading crops in 1924 by ₱45,000,000.

The finances of the government showed a marked improvement over the year 1924, as shown in the following table of budget operations. The adjustments made are due to (a) the rehabilitation of certain bond funds and consequent reversions to the general fund, and (b) the rehabilitation of the Philippine National Bank, involving the writing off of frozen deposits of general funds in the bank against its losses, and the purchase of privately owned shares of stock of the bank to the sum of something over ₱2,300,000.

In accordance with the revised figures the revenues for 1925 exceeded those for 1924 by ₱5,317,572, while the expenditures for 1925 were less than those for 1924 by ₱1,979,537. The excess of revenues over expenditures for 1925 was ₱11,509,639 as compared with ₱8,171,664 for 1924.

Budget operations

	1925	1924	Increase
Total budget revenues.....	₱84,389,595	₱78,931,470	-----
Less bond fund reversions.....	4,492,953	4,352,340	-----
	79,896,642	74,579,130	₱5,317,572
Total budget expenditures.....	75,187,336	86,627,364	-----
Less national-bank operations.....	6,800,333	20,219,898	-----
	68,387,003	66,407,466	1,979,537
Adjusted budget revenues.....	79,896,642	74,579,130	-----
Adjusted budget expenditures.....	68,387,003	66,407,466	-----
Net excess of revenues.....	11,509,639	8,171,664	3,337,975

For further details, see attached report of the secretary of finance and that of the insular auditor.

At the end of the year there was a surplus of ₱23,000,000 cash available for expenditures. If to this cash surplus were added accounts receivable, funds in the hands of disbursing officers, and the cash value of current supplies and materials in the hands of the purchasing agent, the total surplus would be approximately ₱45,000,000. A large portion of the cash surplus will be devoted to reimbursing bond funds such as the irrigation fund, the public-works fund, and the port-works fund, which have been drawn upon in past years for public purposes other than those specified in the bonds, and in improving the sinking fund by replacing certain bonds placed in the sinking fund in past years by first-class bonds. On the whole the financial and general conditions of the government at the end of the year were very satisfactory.

The general financial policy followed has been to maintain the integrity of our sinking funds and the fluidity of all reserves and trust funds. The sinking funds at the present time are not only adequate in amount but also entirely invested in bonds of the Governments of the Philippine Islands and the United States. The gold-standard fund for the maintenance of the parity of the peso is ample to meet requirements. Treasury certificates in circulation are protected, peso for peso, by cash in the treasury and

trust funds deposited in member banks of the Federal reserve system under ample guaranty. The ₱10,000,000 proceeds of the financial interest protection bonds are in a similarly liquid condition with the exception of about ₱6,000,000, which have been temporarily placed as a reserve behind the circulating notes of the Philippine National Bank.

There have been no serious indications of unrest anywhere, except some minor disturbances in the Moro country arising, as stated in previous reports, from the centuries-old animosity between the Mohammedan Moro and the Christian Filipino. The disturbances were limited to the Province of Lanao, always a restless section of the Moro country. The questions of land titles, taxes, and school attendance combined with unrest caused by the visits of political agitators all contributed to bring about such disturbances as have occurred.

The Moros in Lanao and elsewhere and the peoples of the Mountain Province are outspoken in their desire for the continuance of American sovereignty. They are also very insistent upon having American governors. The appointment of American governors for Lanao and the Mountain Province aroused opposition in the legislature, which resulted in its failing to confirm their appointment. This unwillingness to confirm American governors comes in part from a desire to Filipinize still further the public service, in part from indifference to the wishes of the non-Christian people and in part from resentment caused by the outspoken desire of the Moro and other non-Christians for the continuance of American sovereignty and for American governors. In general the condition among the non-Christians has been one of slow but steady progress in the development of their resources and a steady increase in their interest in public instruction, in securing better communications and a larger participation in the government of their own provinces. This very natural desire on their part is being gratified as far as practicable, and the governors of the non-Christian provinces have been directed to use the people of these provinces as far as they can in filling local offices.

During the year there were no political occurrences of importance other than the general elections, which were conducted in an orderly manner throughout the islands. There has been little or no political agitation outside of Manila. As I have stated, the people are contented and happy. I know no people who are more so.

As stated in previous reports, there are no sharp, well-defined party issues. Political issues here are generally questions of personal leadership.

Despite the efforts of certain political leaders to foster noncooperation and to cause the people to believe that they are being unjustly treated, there has been no response to these efforts on the part of the people. That they have not responded is highly creditable to their good sense and loyalty and is indicative of their contentment and satisfaction with the existing government. Had they not been loyal and contented, the efforts of these agitators might have caused some trouble.

The legislature has cooperated in the conduct of the government by enacting considerable useful legislation, confirming the great majority of appointments, passing the budget without substantial

change, and by making appropriations for public works and other improvements.

Many measures recommended by the executive have not been enacted into law, and a considerable number of appointments made were not confirmed. But this is not a situation in any way peculiar to the Philippine Islands. It is true that some of the more important appointments were not confirmed, but failure to confirm has not been permitted to interfere seriously with the efficient conduct of the government. An illustration is found in the case of the secretaries of departments nominated to full secretaryships, in which capacity they had been acting for some time. Upon the failure of confirmation they continued in their status of undersecretaries acting as heads of their respective departments. The other conspicuous failures to confirm were in the cases of two American governors of non-Christian provinces and a number of promotions among the higher grades of the constabulary. In the cases of the American governors and officers of constabulary, failure to confirm was due in part to the noncooperation policy of the political leaders above referred to, but more to the desire to more completely Filipinize the government.

Looking at the situation as a whole, it is encouraging to note that there is a steadily increasing better understanding by the people of the islands of the unselfish policy of the United States, and they are appreciating more and more the fact that they enjoy a very great degree of local autonomy and that the government of the islands is very largely in their own hands.

The policy of the radicals and advocates of noncooperation in dealing with Filipinos who stand for loyal cooperation with the government and live up to the obligations of their oath of allegiance is to charge them with being unpatriotic and disloyal to their own people and false to their interests, etc., and to attempt thus to destroy their standing in the communities in which they live. The attack on Gen. Emilio Aguinaldo is a striking illustration of this policy. General Aguinaldo has been an outstanding figure in loyally cooperating with the government, in living up to the obligations of his oath of allegiance, and in doing everything he possibly could for the best interests of his people. His prestige was sufficient to defeat the attack made upon him, but many of the less courageous and less influential men have been afraid to come out openly for cooperation because of fear of these attacks.

There has been no curtailment of Filipino autonomy granted by Congress in the organic act. There has been, however, a firm insistence by the executive upon the observance of the provisions of the organic act, and a sharp distinction has been maintained between the executive, legislative, and judicial branches of the government, the importance of which is not understood by many of the political leaders, with a resulting tendency on their part to encroach upon the prerogatives of the executive, as was pointed out in the President's letter to Speaker Roxas of March 7, 1924. (Appendix A.)

AUTONOMY

Although the autonomy granted the Filipino people by the organic act has been in no way restricted, the statement has been repeatedly

made by the Filipino leaders that there has been a curtailment of the autonomy so granted, and constant efforts have been made by them to persuade the people that their rights have been encroached upon in this particular.

Repeated attempts have been made through unconstitutional legislation to increase the autonomy granted by the organic act by encroachments upon the executive authority of the Governor General. Such legislation is of course unconstitutional and therefore null and void. The refusal by the executive to recognize as legal and binding these attempted extensions of autonomy has been used as a basis for the statement that autonomy has been curtailed. As a matter of fact the extension of autonomy claimed as a result of this legislation never existed, as the legislation in which these attempts were made was unconstitutional.

The degree of autonomy granted the Filipino people by the organic act was most generous, and its application has resulted in the government being almost entirely in the hands of Filipinos. The increase in the proportion of Filipino personnel as compared with the American has continued during the past three years, as shown by the following figures: In 1923 the percentage of Americans in the government, including school-teachers, was 3.9 per cent; in 1924, 3.4 per cent; and in 1925, 3.1 per cent. The percentage of Americans in the government not including school-teachers in 1925 was approximately only 1.5 per cent.

The following brief statement will serve to illustrate the situation: The legislature is wholly Filipino. Of the 6 secretaries who are the heads of the executive departments, through whom the Governor General exercises to a large extent the executive authority vested in him by the organic act, 5 are Filipinos and 1 an American. Of the justices of the supreme court, 5 are Americans and 4 Filipinos, the chief justice being a Filipino. The attorney general and the solicitor general are Filipinos. The fiscals (prosecuting attorneys) throughout the islands are all Filipinos. Of the 55 judges and auxiliary judges of first instance, only 2 are Americans. Of the 893 presidents of municipalities, none are Americans. Of the 48 governors of Provinces, only 3 are Americans (these are in the non-Christian Provinces). Of the many hundred justices of the peace, all are Filipinos excepting two or three on United States military reservations. Of the officers of the Philippine Constabulary, the only force of the insular government for the maintenance of law and order, only 3 per cent are Americans. Of the 28 bureau chiefs, only 4 are Americans. The personnel in the bureau of civil service, bureau of the treasury, and the coast-guard service is entirely Filipino; the personnel of the bureau of customs and bureau of posts is more than 99½ per cent Filipino, and that of the bureau of lands and bureau of internal revenue is 99 per cent Filipino. The teachers under the bureau of education are more than 98½ per cent Filipino and more than 96 per cent of the civil-service employees in the bureau of health are Filipinos. The insular auditor is an American, the deputy auditor is a Filipino, and the district auditors throughout the islands are Filipinos. The officials of the treasury department are all Filipinos. In other words, outside of school-teachers there is only a handful of Americans holding positions in the insular government.

Indeed the autonomy granted as represented by Filipino participation in the government is so great that American participation in the government has been reduced to the lowest point consistent with the maintenance of that degree of authority which is necessary to discharge effectively the obligations and responsibilities of sovereignty.

DEPARTMENT OF PUBLIC INSTRUCTION

In public education the same general conditions prevailed as in the preceding year; namely, about 10 per cent of the total population was in school and about 23 per cent of the total government revenues was expended for public instruction. In addition to these appropriations, voluntary contributions of money and materials for schools were most generous.

The outstanding event in education of the year 1925 was a thorough survey of the public-school system.

Immediately after American occupation a school system based on American models was established. During the quarter century since this system has been in successful operation. It was felt, however, that it was advisable to take stock of results by a comprehensive survey. The legislature appropriated ₱100,000 for the purpose.

A very competent board of educational experts was secured in the United States under the chairmanship of Dr. Paul Monroe, of Columbia University. The members of the board were experienced in surveys both in the United States and abroad.

The findings of the survey board are in general encouraging as regards the success of the public-school system as now established. They strongly recommend that English be continued as the medium of instruction, and that steps be taken to increase the average time that pupils remain in school from three years, as at present, to five years. They point out the need of a much larger number of American teachers than at present and recommend their assignment to normal schools where they will come into contact with prospective Filipino teachers.

The board recommends that for the most part the available public funds be concentrated on improving the work of the primary and intermediate schools, on the training of teachers, and on the development of those forms of secondary education calculated to raise the level of prosperity in the islands; that the younger children be encouraged to attend the primary school and children over 10 years of age be not admitted to the first grade; that for these over-age children a special form of education adapted to their needs be provided; that tuition charges adequate to cover all current expenses be required of pupils attending the academic high school.

With respect to private schools, the survey finds that they are in the main of very low standards, poorly equipped, and have an inadequately trained, shifting, and poorly paid teaching staff; that many of the private schools are money-making ventures, sacrificing educational efficiency for pecuniary gain; and that the government supervision of these schools is inadequate. The board recommends an increase in the staff of supervisors and inspectors for the department of public instruction so that efficient supervision may be had and that the standards of private schools may be raised. In con-

nection with this matter, it should be remarked that the confidence of the people in these schools depends on government recognition.

The recommendation for an increased personnel for the supervision of private schools has been met for 1926 by an increase of ₱33,860 for salaries and ₱6,000 for travel expenses, and a reorganization of the staff has been made accordingly.

The enthusiasm of the people for public education continues, as shown by the increased appropriations made by the legislature. This increase amounts to ₱863,755 for buildings and ₱410,375 for operation. The total appropriation for 1925 was the largest appropriation ever made for any single year in the history of the department.

The following table shows the average monthly salaries of Filipino teachers, insular and municipal, for March, 1925, as compared with corresponding averages for the six preceding years:

	Insular		All	Municipal		All
	Regular	Temporary		Regular	Temporary	
March, 1919.....	70.67	54.71	65.83	31.42	29.58	30.65
March, 1920.....	75.97	60.24	71.76	39.21	35.41	37.86
March, 1921.....	89.92	69.62	84.22	43.44	37.85	41.72
March, 1922.....	98.42	77.66	93.36	44.11	39.10	42.57
March, 1923.....	105.78	82.82	100.85	47.53	44.55	46.71
March, 1924.....	115.73	92.56	111.87	47.64	42.98	46.43
March, 1925.....	118.79	100.90	116.69	49.36	44.25	48.04

HIGHER EDUCATIONAL INSTITUTIONS

University of the Philippines.—The enrollment of the University of the Philippines is increasing. The university needs more money. A dependable income should be established, as has been recommended, either through an allotment of public lands or through the establishment of a mill tax for the benefit of the university. The danger which at present confronts the university comes from the tendency to draw the teaching personnel too largely from its own graduates and to appoint to responsible positions men of immaturity and inexperience. If the institution is to fulfill its mission in the Philippines, it must bring to its teaching staff the best obtainable personnel, regardless of national or political affiliations. No attempt should be made to establish further additional branches of the university, but every effort should be concentrated upon building up the university itself, raising its standards, and strengthening its teaching staff.

University of Sto. Tomas.—This is the oldest university under the American flag. Earnest efforts are being made to raise standards and to improve facilities. The new university building is nearing completion and the transfer of instruction from Spanish to English is progressing steadily.

National University and University of Manila.—These are privately owned educational institutions. Each has a large and growing enrollment. They have not been established long enough to permit of detailed statement as to attainments and standards. Compe-

tition between the new universities and the old ones is so keen that if they are to succeed high standards must be insisted upon.

Higher private schools.—While the survey report shows the general standard of private schools to be low, there are, however, notable exceptions; among others should be mentioned the Ateneo, Silliman Institute, and La Salle College. These are most excellent schools of high standing, doing thoroughly creditable work and furnishing excellent opportunities for sound training. They are valuable educational institutions and received high praise from the survey commission. There are also a number of smaller private schools where high standards are maintained, notably the Brent School at Baguio.

Agricultural schools.—Schools of the type of Munoz, Trinidad, Catarman, and Lagangilang should be encouraged and their number increased and much more liberal appropriations provided for their equipment and maintenance, for it is most important that as many of the youth of the Philippines as practicable should receive sound training in agriculture, as upon the development of agriculture the economic development of the Philippines mainly depends. The schools above mentioned are doing excellent work but are inadequately equipped and the students often work under rather discouraging conditions.

PUBLIC HEALTH

In general the health situation in 1925 throughout the islands was satisfactory. The only epidemic disease that appeared was cholera, an outbreak of which took place in the latter part of the year coincidentally with outbreaks in other oriental countries. This spread rapidly, but within two weeks it had reached and passed its highest point. In the city of Manila there were 240 cases, with 69 deaths. In the Provinces of Rizal, Bulacan, Pampanga, Nueva Ecija, Laguna, Bataan, Romblon, and Mindoro it is estimated that there were 700 cases, with 400 deaths. The outbreak was promptly brought under control and its spread to other Provinces was prevented through vigorous anticholera vaccination, aided in affected areas by the establishment of emergency hospitals and the isolation of known cholera carriers and cases. In the campaign against cholera more than 2,000,000 doses of vaccine were administered.

Vital statistics returned from remote districts in the provinces have not in the past been complete. Special efforts have been made to get accurate returns, and it is believed that the reports for 1925 are more nearly complete than formerly. This accounts for the apparent increases in the crude death rate and the infant mortality rate. It is perfectly evident from frequent extensive inspections of the islands that general health is better than in previous years. For the whole archipelago the death rate per thousand, estimated from the returns of 26 Provinces and the city of Manila, was 20.58, which is practically the same as that of the whole archipelago for 1924 (20.34). These figures are misleading in that they do not show the real improvement in the public health for the reasons just stated. Returns from the city of Manila, where statistics have been more nearly accurate during the past several years, indicate better the actual trend in public-health matters.

*Vital statistics of the city of Manila*¹

Year	Estimated population	Rates per 1,000 population			Infant mortality per 1,000 births
		Marriage	Birth	Death	
1903	221,322	(²)	(²)	42.28	(²)
1918	283,243	18.46	32.07	43.67	397.66
1920	291,498	21.80	43.27	26.30	213.02
1921	295,626	19.83	41.47	25.49	234.16
1922	299,754	17.69	43.68	24.09	194.24
1923	303,882	18.80	48.04	26.01	192.08
1924	308,010	18.65	45.35	26.94	195.65
Average of 5 years	299,754	19.33	44.39	25.77	204.98
1925	312,138	18.17	48.20	23.87	167.02

¹ Corrected statistical figures, some of which may be slightly different from those in previously published reports.

² No available complete data.

The more important of the communicable diseases were as reported in the following tables:

DEATH RATES PER 10,000 POPULATION, MANILA, 1925

Year	Cholera	Typhoid	Dysentery	Small-pox	Diphtheria	Malaria	All T. B.
1921	1.12	8.08	5.24	0.00	0.68	2.06	51.25
1922	.37	10.91	4.14	.00	.50	1.20	49.84
1923	.00	8.89	3.78	.00	.49	.92	59.96
1924	.03	6.98	4.77	.03	.81	1.62	55.61
1925	2.21	5.48	3.97	.03	.51	1.89	53.36

DEATH RATES PER 10,000 POPULATION, PHILIPPINE ISLANDS (INCLUDING MANILA), 1925

Year	Cholera	Typhoid	Dysentery	Small-pox	Diphtheria	Malaria	All T. B.
1921	0.05	2.55	9.31	0.72	0.24	28.18	24.71
1922	.07	1.92	7.50	.02	.14	25.78	23.92
1923	.01	1.81	6.38	.004	.16	21.81	24.33
1924	.03	1.68	7.37	.005	.16	23.29	24.18
1925 ¹	.44	-----	-----	-----	-----	-----	-----

¹ Figures not final, as data from provinces are subject to correction.

Antileprosy work.—The results of the antileprosy work continue to be most encouraging. It is now believed that fully 75 per cent of the lepers who present themselves for treatment early in their disease can be rendered negative. During the year, of 3,506 lepers who received intensive treatment at Culion and at the San Lazaro Hospital, relatively few of whom were early cases, 586 became negative; of these, 238 were paroled or discharged. At the end of the year there were 5,267 lepers in Culion. The physical condition of many of these was such that they could not be subjected to intensive treatment.

The brilliant results in treatment are beginning to have their effect upon the attitude of the lepers and their near relatives. Instead of waiting to be apprehended, an increasing number are coming in voluntarily to request treatment. Efforts are being made to improve conditions under which lepers are detained while awaiting transfer to Culion. This, it is believed, can be best accomplished by the

establishment of detention and early treatment stations in various parts of the islands where leprosy is most concentrated. At these stations the lepers can receive intensive treatment while awaiting transportation, and there is no doubt that many of those who request treatment early in their disease will become negative without being sent to Culion. In the local stations it will be less difficult for friends to visit the lepers, and the improvement and discharge of those treated successfully will stimulate others to come in. These stations will be supplemented by provincial clinics and dispensaries where early lesions may be detected, so that a greater number of early and curable cases will be positively identified and presented for treatment. While this natural extension of our antileprosy program will not for many years to come make the Culion colony less necessary, it is believed that it will hasten the final control of this terrible scourge.

There is already a local treatment station established in Cebu, and such a station is contemplated for the Bicol provinces. The others which at the present time seem to be needed are one in Iloilo, one in Zamboanga, and one in northern Luzon. The leper department of San Lazaro Hospital is virtually a local detention and treatment station for Manila and central Luzon.

Among the lepers under treatment, there is a decided spirit of hope and cheerfulness. Indeed, the whole atmosphere at Culion is changed from one of despondency to one of hope. The public are now looking upon Culion as a place of cure rather than a place of imprisonment. As a result of the work thus far done, I am of the opinion that we can control leprosy in the Philippine Islands and eventually eradicate it and that the system we are establishing here can be applied in other countries. Steps have been taken to correlate all the leprosy work in the islands under one head. This will tend to facilitate greatly the application of intensive treatment and the handling of leprosy to obtain the best possible results.

The leprosy drive for funds in the United States has been postponed pending the completion of more thorough organization and securing the funds necessary to underwrite the campaign. It is believed, however, that once the facts of the leprosy situation are placed before the American people there will be a generous response on their part. With reference to the purpose of the drive, the statement made in last year's report is here repeated.

Additional funds are needed to carry on this great work more effectively, and I am about to undertake a campaign to raise \$1,000,000 in the United States for the construction of additional buildings, and for laboratory equipment, skilled research personnel, roads to agricultural lands in the interior, where we can establish small farm colonies, and to improve the water supply. The insular government can not well give more until its revenues are increased, as at present approximately one-third of the entire public health fund is allotted to the care and treatment of the lepers.

The Manila local branch of the Knights of Pythias has expressed great interest in raising funds for the antileprosy campaign, and efforts are being made to enlist the interest and aid of the members of the entire order in the United States.

The bacteriologically negative children of lepers in Culion are being transferred to Manila, where they will be placed under the care of the public-welfare commissioner, with a view to their segre-

gation and separation from all contact with lepers. The small children's home in Culion is being prepared to receive the newly born children of leper parents. Leprosy is not hereditary, and children separated from their leprous parents at the earliest time practicable remain free from the disease. Such children will be eventually transferred to Manila to be placed under the care of the public-welfare commissioner.

The demonstration work in malaria control which has been continued by representatives of the Rockefeller Foundation in cooperation with the Philippine health service is producing results both in an actual reduction of malaria in the areas under treatment and in stimulating interest in malaria control work through the islands. The health service distributes a certain amount of quinine gratis to the people in malarious districts, but the amount the service can afford to give away must obviously be inadequate. This is being supplemented by placing in the hands of school-teachers a supply of quinine tablets, which will be sold to the people at cost. Through the schools a greater proportion of the people can be reached, because the teaching personnel is far greater in number than that of the health service. The Red Cross is giving excellent assistance in this work by distributing quinine at cost through its nurses. Malaria is the most disabling of the diseases which afflict people in the Tropics, and its control will bring about great economic advancement.

The United State Army Medical Department research board is continuing its work in the bureau of science and eliciting facts of value not only to the Army but to the whole population of the islands.

The Philippine Antituberculosis Society is accomplishing much good through its hospital, its dispensaries, and its educational campaign. It deserves the support of every citizen. The hospital in Santol is clean and well managed, and its patients receive excellent care. It is hoped that arrangements can be made to establish a section of tuberculosis in the Philippine health service in the near future.

But one case of smallpox was reported during the year, and this was brought in from China. Vaccination against smallpox has been pushed forward vigorously. With the exception of those on some of the islands north of Luzon it is believed that 95 per cent of all the people have been vaccinated. The dried vaccine now being prepared by the bureau of science is giving consistently good results. Its potency is maintained unimpaired during shipment to the most remote parts of the islands through even the warmer months of the year.

Beriberi continues to be one of the most important causes of infant mortality, and in spite of the conjoined efforts of the Philippine health service, the Red Cross, and the women's clubs to control it little has been accomplished, according to statistics, in effecting a reduction in its incidence. It is recognized that in the Provinces the diagnosis of beriberi is a convenient one and is not infrequently made when it is undoubtedly an error.

During the year many thousand cases of yaws were treated. The campaign against intestinal parasites, especially hookworm, has been continued; of the new cases examined and treated 95 per cent were completely cured by the carbon tetrachloride treatment.

Advantage has been taken of the appropriation made by the legislature to aid in the construction of provincial hospitals; 3 are already completed, 3 are under construction, and funds have been transferred to the Provinces for the erection of 9 more. As stated in previous reports, the mission hospitals have done good work and rendered valuable assistance, and it is hoped that the number will be increased. It is to be regretted that the one in Aparri has been closed, as it was rendering good service.

Much excellent work has been done by the doctors and nurses of the health service and by those of the public welfare commissioner; valuable service has been rendered by the physicians and nurses of the Red Cross. Special mention should be made of the excellent work being done by the Red Cross dentists.

The internal organization of the Philippine health service remained practically the same throughout the year. In the Provinces eight new sanitary divisions were created. Ninety-one additional positions were filled—the largest increase being in the positions of presidents of sanitary divisions. The Philippine health service is still in great need of well-trained personnel from which both doctors and nurses can be drawn. It is hoped that during the coming year a special graduate course in public health will be established in the University of the Philippines, which will better fit medical officers of the health service for the special work they are required to do in the Provinces. Efforts are being continued to raise the standards of medical instruction and that of nurses.

Health propaganda through the schools is most important. Improvement in the public health frequently depends on a radical change in age-old habits of people. Time-honored customs can not be altered in a single generation, and it is only during the earlier years in the life of an individual that any modification can be made. The practical failure of efforts to reduce beriberi and tuberculosis illustrate this and indicate the great need for closer cooperation between the school-teachers and the health officers.

The people of the Provinces, and especially of the smaller islands remote from the common routes of travel, sadly lack medical attention. It is believed that the government should equip a health boat. Such a boat would be similar to the Coast Guard cutters and carry, in addition to its regular complement of officers, a doctor and a male and female nurse. It should have facilities for performing vaccinations and emergency operations and be able to transport patients to the nearest hospital. Furthermore, it should act as a medical supply ship to leave needed medicines, surgical supplies, etc., at its ports of call.

Public welfare commission.—The work of the public welfare commission has been excellent. The work performed under this service is closely allied to certain branches of the public health service. For this reason the two services should be consolidated, with certain rearrangements of the different activities. Such consolidation and rearrangements would obviate much duplication of work and personnel which exists at present and increase efficiency with no increase in cost. This has been recommended previously without success.

Quarantine district of the Orient.—The United States Government has established an oriental quarantine district which comprises

Japan, the entire China coast, including French Indo-China, the Federated Malay States, Siam, Burma, India, all of the islands to the south, as the East Indies, Australasia, and Australia. Medical officers are stationed in the various ports throughout this district supervising, from a sanitary standpoint, not only shipping destined for the continental United States but all shipping destined for the Philippine Islands, as well as all passengers embarking for the Philippine Islands. This organization of the Orient, as a sanitary district, is of inestimable value to the Philippine Islands, and although a considerable amount of money is spent by the United States Government for its maintenance, the Philippines derive the chief benefit therefrom.

DEPARTMENT OF THE INTERIOR

In November, 1925, Hon. Honorio Ventura, then chief of the executive bureau, was appointed and confirmed as secretary of the interior.

The main function of the department of the interior is the supervision under the Government General of provincial and municipal governments. Most of the details of this work are intrusted to the executive bureau, which has performed its duties in a satisfactory manner. The other bureaus and government organizations which have been appropriately placed in the department of the interior are the chartered cities, Manila and Baguio, and the metropolitan water district. Through regrettable legislation of some years ago, the department of the interior has been loaded down with a number of technical offices which belong more appropriately in the department charged with the supervision of public health. These are the Philippine General Hospital and the boards of examiners for pharmacists, physicians, dentists, opticians, and nurses.

Philippine Constabulary.—The Philippine Constabulary, of which the Governor General is commander in chief by provision of the organic law, should, like the bureaus of civil service and audits, come directly under the Governor General because it is the military force of the government and the only insular instrument for maintaining law and order.

In the preservation of law and order; in assisting in the campaigns for the eradication of cholera, anthrax, rinderpest, locusts, etc.; in the maintenance of channels of communication with the more remote and underdeveloped interiors of Mindanao and other of the larger islands, the constabulary has continued to render most useful and efficient service.

Until the entrance of the United States into the World War, in 1917, a considerable majority of constabulary officers were American citizens. With a few exceptions these American officers applied for service with the American Expeditionary Forces overseas; their services were accepted and they were given war commissions in the United States Army. The result was the eventual reduction of American officers to 13 and the increase of Philippine officers to 381. The constabulary was thus suddenly deprived of the bulk of those officers who, immune to the influence of partisan politics, had been

the great stabilizing force, and it became a force of which some 97 per cent of its officers were Filipinos—many of them lacking in education and experience. Since its establishment the constabulary has been a most effective instrument in the hands of the Governor General for the maintenance of law and order throughout the archipelago, and for securing honest and free insular, provincial, and municipal elections.

Rivalry and jealousy between partisan candidates are frequently intense, and the executive has on many occasions been importuned by the leaders of one side or the other, and sometimes by both sides, to assign constabulary officers (preferably Americans because of their freedom from local affiliations) to a constituency where a political campaign or election was in progress. For these and other reasons, it became expedient to make arrangements to increase the proportion of American officers in the service. With this in view, the department commander was asked to recommend a limited number of American noncommissioned officers possessing the necessary moral, physical, and educational qualifications for commissioned officers. This step is not indicative of an intention to extensively re-Americanize the constabulary, provision having been made that at no time shall the number of American officers exceed 30 per cent of the total number. In this connection attention is invited to the remarks in my report for 1922, which I quoted in my annual report for 1924.

The following details of organization and personnel are furnished by the chief of constabulary:

The authorized strength based on the 1925 appropriation was 396 officers and 6,325 enlisted men. At the close of the year 1925 the actual strength of the constabulary, including the Medical Division and the Constabulary Band was 394 officers and 5,829 enlisted men, distributed throughout the Archipelago in 162 stations, including detachments. There were 13 Americans and 381 Filipinos in the commissioned service. In 1924 there were 15 Americans and 375 Filipinos in the same service. One hundred and thirty-three companies of an average strength of 50 enlisted men per company and commanded by 318 officers, composed the field force, these men being strategically stationed with a view to maintaining peace and suppression any disorders that might arise.

Bureau of non-Christian tribes.—The people of the non-Christian tribes have been disarmed, and feel that they are peculiarly dependent upon the Governor General to protect them and look after their interests, the attitude of Christian Filipinos being too often one of indifference to their needs and petitions. As a result there is a general desire among them to submit matters directly to the Governor General for his action. This situation brings the director of the bureau of non-Christian tribes into peculiarly close relations with the Governor General. The present director and his predecessor have both shown real interest in the welfare of these dependent people and have been efficient in the discharge of their duties.

City of Manila.—The city of Manila is growing rapidly, and the demands upon the city government are constantly increasing. It is believed, however, that the city resources, if properly developed and handled, are sufficient for its needs, and acting on this conclusion insular aid has gradually been withdrawn and the city required to be self-supporting.

The administration of the city under the present mayor has been generally satisfactory. He has worked with an eye single to the interests and welfare of the city. As stated in last year's report,

there is urgent need of extensive sanitary improvements in and about Manila, especially better drainage, filling in of low areas, and cleaning of old canals and the filling of some of them.

Plans have been completed for the construction of a railroad and traffic bridge over the lower Pasig, connecting the railroad terminals in the city of Manila with the port area and thus greatly reducing the time and cost of handling freight. It is expected that appropriation will be made available at the next session of the legislature for this very important work.

The most serious problem confronting the city is the need of a greatly increased water supply. Several times during the last three years there has been very serious shortage of water, jeopardizing public health and public safety. Plans have been completed and issue of bonds to the extent of ₱12,000,000 for the metropolitan water district has been authorized, and work on the construction of a new reservoir and aqueduct has already been commenced. This extension of the water system which is now under construction will provide sufficient water to fully supply all the needs of the city for the next 50 years, assuming rapid growth of the city in the meantime.

For the purpose of securing the cooperation of the inhabitants of Manila in improving and beautifying the city through planting of trees, flowers, and ornamental shrubs, and improving the appearance of privately owned property, a citizens committee has been formed, the result of whose work is already in evidence in many parts of the city.

Efforts will again be made at the coming session of the legislature to secure an extension of the limits of Manila so as to include Pasay and the country immediately adjacent thereto. This extension is necessary in the interests of better administration, the control of vice conditions, and the maintenance of law and order.

The police force has rendered very efficient and satisfactory service. Much of the credit for this is due to its most efficient chief.

Manila Harbor Board.—As stated in last year's report, the operations of the harbor board have been very satisfactory throughout the year. The board has done a great deal to improve port conditions and has been largely instrumental in putting Manila in the first rank as a well-equipped and well-handled port. There has been effected a great improvement in the handling of cargo and a marked diminution in losses and claims for cargo shortage and damage. Manila is now regarded as the best port in the Orient for the handling of cargo. The work of the board is entitled to high commendation.

City of Baguio.—The city of Baguio, one of the most attractive health resorts of the Far East, made substantial progress during the year both in public improvements and in private enterprise. All its public works were maintained in a high degree of excellence. The road system was extended and was improved by the construction of a large steel bridge to replace an old wooden one. The water system was improved by the construction of a 5,000,000 liter storage tank and the electric light system was greatly extended. Each of the public utilities shows a substantial profit from operation. Twenty-seven new private residences were built during the year. Much of the credit for the public improvements made must be given to the efficient mayor, who is also the district engineer, and to the city council.

DEPARTMENT OF FINANCE

The details of the operations of this department are set forth in the accompanying report of the secretary of finance. A brief summary of the financial condition of the government has already been made in the first part of this report. The affairs of the department have been efficiently and successfully conducted.

Bureau of customs.—Reports indicate that the bureau of customs has been ably, efficiently, and satisfactorily conducted during the year.

Immigration.—Immediately prior to and during the World War, some 12,000 Japanese were in the Philippine Islands. Most of them were located about the Gulf of Davao and engaged in the growing of hemp. Shortly after the close of the war many Japanese left the islands and returned to their own country and their numbers were eventually reduced to somewhat less than 4,000. Recently Japanese have again commenced to come to the islands in small numbers, and they number now in the neighborhood of 5,000; practically all of them are located near Davao, along the shores of the gulf.

Chinese immigration is prohibited by the exclusion act. Nevertheless a considerable number manage to enter the islands each year. When detected, they are arrested and deported, but some succeed in returning, usually through the southern islands. Were Chinese permitted to come freely, they would flood the islands in a very short time. Chinese immigration is strongly opposed by the Filipino people. Although the number of Chinese in the archipelago is not over 65,000, they control upward of 70 per cent of the retail trade of the islands. They are frugal, industrious, and commercially aggressive, and the Filipinos find successful competition with them very difficult.

Immigration from Europe and America is so small as to be negligible.

Government in business.—Nothing has occurred during the year to warrant any change in the previously expressed opinion to the effect that the government should withdraw from business, but efforts made to this end have thus far been without success.

The management of some of the government enterprises, notably the railroad, has improved during the year—thanks largely to the excellent work of the president, manager, and auditor—and yet while the railroad has made a substantial profit it has been unable to make any return to the government on its capital-stock investment of ₱22,127,000, nor has it entirely repaid the government sums advanced under its guaranty to meet interest on its bonded indebtedness of ₱56,792,000. Most of its profits have been absorbed in betterments.

The rehabilitation of the Philippine National Bank has placed it upon a restricted but sound basis and its operations during the year were on the whole quite satisfactory. The valuable work of the bank auditor has contributed much to a clear and comprehensive understanding of its operations. As stated in previous communications and recommendations, this bank should eventually be converted into an agricultural bank thoroughly equipped to lend assistance to the development of the great agricultural resources of the islands.

The large extensions granted to the government-owned sugar centrals have resulted in greatly increased capacity and also in greatly

increased investment on the part of the government. The proposition made by Hayden, Stone & Co. to purchase these centrals and finance them and the affiliated planters, although offering many advantageous features, was rejected by both the Philippine National Bank and the planters. The latter, having for a long time been successful in securing liberal financial aid from the government, and feeling that they could still continue to secure such aid on much easier terms than from private corporations, have strongly opposed a transfer to private ownership. The crop of 1925 was abundant and prices were good. Nevertheless even under such favorable conditions the total obligations of the centrals and the planters to the national bank were increased rather than diminished, due largely to extensions granted. The investment of the government has greatly encouraged the industry, but the time has come when the government should dispose of its holdings under conditions which will safeguard the interests of all concerned, so that the bank may be free as an agricultural bank to aid in the development of some of the other important agricultural industries of the islands.

The operations of the National Coal Co., despite efforts to improve administration and increase output, have resulted in large losses to the government.

The government-owned Cebu Portland Cement Co., although very favorably situated with respect to transportation and proximity to supply of raw material and aided by heavy protection against foreign competition and the requirement that all public works shall use its product, has not been able to overcome its losses from operation. There is no indication that under present conditions the government will be able to recover either its investment or reasonable interest thereon. A number of good offers for the purchase of the plant have been rejected by the board of directors of the National Development Co., of which it is a subsidiary.

In general, the results of the year's operations of all these business enterprises give no indication that the government will ever be able to secure a reasonable return upon the many millions invested. The successful handling of such enterprises requires a highly trained and experienced personnel and the establishment of conditions as to business management which is difficult, indeed practically impossible, to accomplish when the personal fortunes of the management and others interested are not affected by success or failure.

DEPARTMENT OF JUSTICE

Associate Justice Ramon Avanceña was appointed chief justice of the supreme court to succeed Hon. Manuel Araullo, deceased. He took the oath of office on April 1, 1925. Hon. Antonio Villareal, attorney general, was appointed associate justice of the court and took the oath of office on June 16. These appointments were made by the president on the recommendation of the Governor General.

Unremitting efforts were continued throughout the year to improve the administration of justice, safeguard the courts from political influence, and to strengthen public confidence in their impartiality and rectitude. While much has been accomplished, much still remains to be done in order to establish in the public mind that implicit confidence in the courts which is so important in the adminis-

tration of justice and so essential to good government. It has been difficult to eradicate the long-standing opinion among the people that political influence, personal power, and prestige have at times too much weight in the administration of justice in the lower courts.

The following table shows the number of cases tried :

	1924	1925
Number of civil and criminal cases tried.....	23, 785	23, 056
Number of land cases tried.....	1, 715	1, 427
Number of cadastral cases tried.....	321	363

The decrease in the number of civil and criminal cases disposed of by the courts of first instance as compared with the previous year is accounted for by the election cases, 261 in number, which came up for trial incidental to the general elections held in 1925. These cases take precedence over ordinary cases and require a long time for trial on account of the large number of witnesses examined and the large number of ballots to be scrutinized.

During the year 12 judges were specially commissioned to take up cadastral cases and 30,618 decrees were issued. This is an increase of 10,165 decrees over the preceding year.

The same systematic attention as during the preceding three or four years was paid to prisoners in the penal institutions, with a view to granting pardons in cases where the public welfare would be served thereby. This work was done partly through frequent inspections of the prisons, examination of prisoners' records, and partly through the pardon board. This board, consisting of the secretary of justice, the public-welfare commissioner, and a member of the governor general's staff, goes over the cases of prisoners and submits recommendations for pardon. During 1925, 448 prisoners were granted conditional pardons, 2 received unconditional pardons, and 23 alien criminals were deported. The experience of previous years, when similar numbers of pardons were granted, shows that the number of prisoners released by pardons under this system of careful supervision who were again convicted of crime is very small and almost negligible. Not only was this number of prisoners returned to productive undertakings, but incidentally a saving of over ₱80,000 was made to the Government during the year in the matter of their support. Notwithstanding the considerable number of pardons granted, the prison population increased by 140 during the year owing to the incarceration of the followers of Datu Santiago in Mindanao and those convicted of responsibility for the disorder in Nueva Ecija. The following comment on prison colonies appearing in my report of last year is applicable to conditions still existing :

The great prison colonies at Iwahig and San Ramon have been successfully conducted and have continued to demonstrate their value and usefulness not only as places of confinement and punishment but as places where every opportunity is given the prisoners to make good and return to civil life prepared to take up and successfully discharge the obligations thereof. These colonies are largely self-supporting, more than 90 per cent of their subsistence supplies being furnished from the prison farms.

As previously recommended, legislation should be enacted providing for the retirement of judges of first instance who have 20 or more years of service on the bench and have reached the age of 65 years or have become disabled in the service, with a salary equivalent to 75 per cent of the salary they were receiving at the time of retirement. In the case of justices of the supreme court who have served 25 years on the court and who are 70 years of age or have become disabled in the service, provision should be made for their retirement with a salary equivalent to that which they were receiving at the time of retirement. Failure to make any provision for retirement results in the loss of many of our best judges, especially judges of the court of first instance, who leave the bench to enter private practice.

To secure and retain the best men, the salaries of the judiciary should be increased. Their present salaries are inadequate. I therefore recommend that the salaries of justices of the supreme court be increased to ₱9,000, the salaries of judges of first instance be increased to ₱10,000, and that of the attorney general be increased to ₱12,000.

AGRICULTURE AND NATURAL RESOURCES

Efforts by the Government to encourage and develop agriculture, the principal source of wealth of the islands and the chief occupation of the people, have been continued. This has been done by improving communications, furnishing expert technical advice, encouraging the building up of agricultural schools, urging the youths to devote themselves to agriculture, by continued efforts to eradicate epidemic diseases of livestock, by a vigorous campaign against locusts, by the enactment of helpful legislation, and in various other ways.

The following table shows the area planted with the six leading crops of the islands, and their values:

Year	Area hectares	Value	Average value per hectare
1923.....	3,495,440	₱380,194,710	₱109
1924.....	3,516,200	432,550,500	125
1925.....	3,511,000	477,551,000	136

Value of six leading crops for 1924 and 1925:

	1924	1925	Per cent increase or decrease
Rice.....	₱172,957,290	₱192,179,000	+7.0
Sugar cane.....	105,667,180	108,310,000	+2.6
Coconuts.....	68,134,370	69,600,000	+2.0
Abaca (hemp).....	40,982,280	65,148,000	+59.0
Corn.....	33,303,960	30,767,000	-8.0
Tobacco.....	11,505,420	11,547,000	-----
Total.....	432,550,500	477,551,000	+10.5

The following table shows the improvement in the animal epidemic situation:

	1924	1925	Per cent increase or de- crease
Rinderpest (number of cases).....	15, 559	14, 143	-27
Anthrax (number of cases).....	3, 936	591	-85

Locust infestation is being partially controlled by the system of searching for and exterminating locusts at their breeding places. Municipalities infested were decreased in number over 40 per cent as compared with the preceding year. Considerable experimental work was done in destroying locusts by chemicals spread from an airplane.

College of agriculture and agricultural schools.—The following extract from my annual report of last year continues to apply:

The college of agriculture at Los Banos, a branch of the University of the Philippines, and the larger agricultural schools at Munoz, Trinidad, Catarman, and other places are doing most valuable and excellent work for agriculture. In addition to sound agricultural training, they offer opportunities in varying degrees for general education. The equipment of the college, and practically all the larger schools, is inadequate.

The importance of these schools in developing our agriculture is not as yet fully appreciated by the people at large. Efforts are made in the selection of students to obtain those who intend to make agriculture their life work; nevertheless, too many graduates go into other, generally speaking, nonproductive occupations.

Rural credit associations.—The rural credit associations have continued the good work described in previous reports, in protecting the small farmer from usury and in providing him with working capital at reasonable expense. To prevent the borrowing by influential persons of large amounts to be re-lent at high rates of interest, a regulation was put into effect during the year restricting the amount of loan to any one person to 100 pesos, except for the purpose of buying work animals, in which case the maximum was fixed at 200 pesos. The correct policy is to make small loans to many instead of large loans to a few.

Public lands.—The progress made in the matter of surveys as a necessary step toward the improvement of land titles is shown in the following table. The number of decrees of title issued is given in the report of the secretary of justice.

Surveys completed	During 1924		During 1925	
	Lots or parcels	Area, in hectares	Lots or parcels	Area, in hectares
Cadastral surveys.....	23, 842	73, 811. 00	38, 125	132, 421. 00
Private surveys.....	13, 063	49, 026. 11	12, 755	70, 678. 15
Isolated private land surveys.....	3, 174	32, 038. 70	3, 919	41, 609. 72
Miscellaneous surveys.....	37	278. 35	122	485. 63
Total.....	40, 116	155, 154. 16	54, 921	245, 194. 50

The progress made in settling and utilizing the public domain was as follows:

	1924	1925
Homestead patents issued.....	974	1,727
Free patents issued.....	335	554
Sales patents issued.....	29	41
Leases (awards made).....	9	10

Bureau of forestry.—The following remarks made in previous reports concerning the work and responsibilities of the bureau of forestry are repeated:

The responsibilities of the bureau of forestry are constantly growing. Applications for timber permits are increasing. The output of lumber has greatly increased over preceding years. Increased work has been thrown on the bureau incident to timber scaling, land classification, and prevention of forest fires. The technical personnel of this bureau is an inspiration in its ability to meet in effective manner the heavy demands which are made upon it. A larger appropriation must be obtained in the future if the important work of protecting our forests is to be effectively done. The importance of forest protection is commencing to be understood. Earnest efforts have been and are being made to prevent destruction of forests through *kaiŋgin*, a practice of the natives of burning off a piece of forest every year or two to secure new land, and letting the heretofore cultivated land go into cogon grass or weeds. This practice has prevailed among the mountain and hill people since the early days and has been destructive of enormous areas of timber. The resources of Philippine forests have as yet hardly been touched, and with the proper handling of this source of wealth in the years to come and their proper conservation they should become a permanent asset. Shortage of personnel results in great losses. It is a penny-wise and pound-foolish policy.

Bureau of science.—During the year 1925 the activities of the bureau of science, from the standpoints of routine, research, and co-operation with other entities, have been greatly increased, and great improvements have been made in the material condition of the plant. More routine work was done for the government and for private individuals than in any previous year, and the income exceeded that of any past year. Among the outstanding achievements of the bureau in the way of routine was the production during the last four months of the year of sufficient cholera vaccine to vaccinate 3,000,000 people. During the year the bureau of science furnished free of charge 46,120 bottles of tikitiki extract for the cure of infantile beri-beri.

The present facilities of the bureau for the preparation of tikitiki extract are inadequate. This remedy is invaluable in the prevention and treatment of infantile beri-beri, and an adequate supply should be available wherever it is needed. It is hoped that appropriation will be made to cover this great need. During the cholera outbreak the bureau responded promptly to the suddenly greatly increased demand for anticholera vaccine. Its ability to handle so

efficiently its part in the prevention of a grave national calamity is most commendable. The successful results attending the use of the bureau's antidysenteric serum are noteworthy. The smallpox vaccine virus prepared by the bureau in the dried state has overcome one of the most difficult problems in preventive medicine in the Tropics. This vaccine maintains its potency even in the hot weather. The bureau of science has cooperated actively and sympathetically with the work of the Rockefeller Foundation and the United States Army Research Board.

In addition to the free work mentioned above, the bureau of science gave at its laboratories a total of 938 Pasteur antirabic treatments and sent to the Provinces 875 treatments. Each treatment consists of 25 daily injections. Again, the bureau determined free of charge for other government entities and private parties a great number of specimens of plants, insects, rocks and minerals, and other materials, besides entering into numerous consultations and minor researches for the promotion of government and private interests. In the above description of the returns that the bureau of science makes to the government, no mention has been made of the very valuable research undertaken and published in the *Philippine Journal of Science* which has been of great value both to the government and to private interests and in the promotion of health conditions in the Archipelago, as well as in increasing scientific knowledge.

Fisheries.—The development of the fish food supply is vitally important in the Philippines, as fish is second only to rice as the chief food of the people; notwithstanding the small appropriations available, a great deal of constructive work was done during the year toward protecting certain of the fresh-water fishes and in transplanting fish to new waters.

A shipment of black bass from Baguio was taken to Lake Lanao, Mindanao, where the fish were planted in one of the tributaries of the lake. A small amount of carp was brought in from China. These carp were placed in the new pond of the bureaus of science grounds, and a sufficient number of them have lived and thrived to warrant the belief that in another year we shall have quantities of carp for distribution. The importance of the sardine industry at Estancia, Iloilo Province, and the general fishery conditions in Iloilo, Capiz, and Antique Provinces were investigated. The Manila Bay fisheries, particularly the bangos industry of Rizal, Bulacan, Pampanga, and Bataan Provinces, the Japanese trawlers of Manila Bay, and the coast fisheries between Manila and Cavite have also received attention. Much valuable information was obtained throwing light on the life history of the ipon and upon the lax way the fish regulations are enforced in many localities. The ipon industry in Abra River is worth ₱300,000 or more annually. During all these trips a large amount of material was secured bearing upon the gobies and the ipon industry.

There are indications that the famous pearl fisheries of the Sulu Seas are likely to become exhausted as those of Ceylon were unless action is taken either to prevent the taking of shell under a certain size or else to prohibit the taking of shell altogether over certain portions of the waters to provide time for recuperation. Recommendations for definite action are expected shortly from the chief

of the fisheries division, who is at Sulu making a close inspection of pearl fishing and shell conditions.

Mining.—The needed action, mentioned in preceding reports, to repeal the restrictions in existing mining laws which practically prevent new enterprise in developing the mining resources of the country, has not yet been secured. Legislation is needed which will permit of consolidation of development work on adjacent claims, which will allow a person or organization to own stock in more than one mine and which will permit the establishment of more than one claim on the same lode or vein.

Rubber production.—Interest in the production of rubber in the Philippine Islands has increased very greatly during the year. Within the limits of the archipelago there are very large areas in every way adapted to rubber production. These areas are now covered by forest and jungle or cogon grass and are giving small or no returns. I believe that if the industry is developed and well handled, the Philippines can produce enough rubber to fully supply the demands of the United States; moreover the development of rubber production in the Philippines will facilitate very greatly the economic development of the islands. I am confident that Filipino laborers, if well treated and reasonably well paid, can be secured in sufficient numbers to work the plantations successfully and push forward the development of the industry. Once the details of producing rubber are understood, Filipino planters will be as successful in growing rubber as they have been in growing copra, hemp, and sugar. I feel that every effort should be made to secure legislation which, while protecting public interests, will permit the growing of rubber on a large scale.

Improvement in agricultural methods and increase in output.—As the years go by, there is bound to be an increasing demand for tropical products, especially foodstuffs. The soil of the islands as a whole is very rich. Scientific cultivation has only been commenced. Its possibilities are almost limitless. What is needed is thorough study and investigation by experts. The more the Philippines produce the greater will be their independence of foreign food supply and consequently the greater their revenues and purchasing power and export. Their trade and other relations with the United States are such that our interest in their general agricultural and economic development is very great. I believe that the United States Government should attach to the Governor General's office a number of carefully selected experts with a view to their advising and aiding the insular departments and bureaus concerned in the development of the resources of the islands, including not only agricultural development but that of fisheries and mineral resources.

COMMERCE AND COMMUNICATIONS

Business conditions during 1925 were very good. There were no widespread public calamities, such as drought, floods, or serious epidemics of disease. Bumper crops of rice and sugar were raised and good prices prevailed. Foreign trade in its normal development approached the figures of the boom years of 1919 and 1920 when Philippine products reached the highest levels of value in their history due to world shortages following the war.

The following table indicates the generally increasing prosperity of the country:

	1924	1925	Per cent increase
Income tax collections.....	P2, 583, 585. 89	P3, 336, 923. 82	29
Individual returns filed.....	15, 478. 00	18, 277. 00	18
Corporation returns filed.....	3, 882. 00	4, 738. 00	22

The following table shows the growth of foreign trade during the past 10 years:

Year	Imports	Exports	Total imports and exports	Trade balance in favor of (+) or against (-) the Philippine Islands
1915.....	P98, 624, 367	P107, 626, 008	P206, 250, 375	+ P9, 001, 641
1916.....	90, 992, 675	139, 874, 365	230, 867, 040	+48, 881, 690
1917.....	131, 594, 061	191, 208, 613	322, 802, 674	+59, 614, 552
1918.....	197, 198, 423	270, 388, 964	467, 587, 387	+73, 190, 541
1919.....	237, 278, 104	226, 235, 652	463, 513, 756	-11, 042, 452
1920.....	298, 876, 565	502, 247, 711	601, 124, 276	+3, 371, 146
1921.....	231, 677, 148	176, 230, 645	407, 907, 793	-55, 446, 503
1922.....	160, 395, 289	191, 166, 596	351, 561, 885	+30, 771, 307
1923.....	174, 999, 494	241, 505, 950	416, 505, 474	+66, 503, 486
1924.....	216, 021, 790	270, 689, 325	486, 711, 115	+54, 667, 535
1925.....	239, 465, 667	297, 754, 410	537, 220, 077	+68, 285, 743

The quantity and value of the principal Philippine imports and exports as compared with 1924 are shown in the following tables:

Comparative statement of the values of principal Philippine imports

	1925	1924
Cotton and manufactures of.....	P55, 196, 619	P49, 397, 481
Iron and steel.....	27, 919, 939	24, 094, 119
Mineral oils.....	17, 358, 936	17, 340, 039
Rice.....	12, 826, 439	18, 525, 837
Wheat flour.....	11, 213, 350	8, 042, 178
Meat and dairy products.....	10, 938, 943	9, 862, 502
Automobiles and parts of.....	9, 212, 313	6, 454, 206
Paper and manufactures of.....	6, 813, 821	6, 304, 187
Silk and manufactures of.....	5, 615, 807	4, 371, 446
Coal.....	4, 284, 027	4, 581, 515

Comparative statement of the principal Philippine exports

Principal exports	Unit	1925		1924	
		Quantity	Value	Quantity	Value
Sugar.....	Kilo.....	546, 832, 094	P91, 028, 005	357, 830, 318	P83, 736, 173
Hemp.....	do.....	151, 024, 143	71, 043, 292	177, 311, 618	59, 900, 916
Oils.....	do.....	104, 152, 632	39, 728, 118	111, 640, 227	37, 698, 732
Copra.....	do.....	146, 708, 639	31, 737, 405	156, 761, 823	30, 703, 764
Tobacco.....			18, 904, 889		19, 725, 718
Embroideries.....			9, 122, 961		9, 377, 943
Magney.....	Kilo.....	24, 287, 608	6, 351, 792	28, 159, 905	5, 845, 278
Desiccated and shredded coconut.....	do.....	12, 523, 211	5, 217, 746	8, 133, 951	3, 197, 119
Hats.....	Number.....	988, 452	4, 741, 898	734, 312	2, 452, 960
Wood and manufactures of.....			4, 626, 937		4, 594, 519

Domestic commerce followed the general trend of the agricultural situation and of foreign trade, and made notable advances during the year. The principal Philippine staples enjoyed steady and fairly active markets. Consumption was greatly accelerated by the general prosperity.

Development along industrial lines was continued; the greatest relative advances, as measured by the value of the year's exports of manufactured and semimanufactured articles, having been made in hats, centrifugal sugar, coconut oil, cigars and cigarettes, and desiccated coconut. The details are given in the report of the secretary of commerce and communications published herewith.

The following tables show the public works activities in 1925 as compared with 1924:

General summary of bureau of public works activities

	1924	1925	Per cent increase or decrease
First-class road.....kilometers.....	5,488.3	5,644.3	+2.8
Second-class road.....do.....	2,123.0	2,359.9	+11.3
Third-class road.....do.....	2,704.0	2,639.3	-2.4
Trails.....do.....	4,808.0	4,815.3	-----
Bridges.....number.....	7,613.0	7,779.0	+2.2
Roads and bridges.....	P8,131,068	P8,967,899	+10.3
Building work.....	2,911,816	3,585,977	+23.2
Port works.....	3,197,016	3,110,615	-2.7
Water supply.....	751,912	1,298,820	+72.7
Irrigation.....	2,050,703	2,740,612	+33.6

There are in the archipelago 132 municipal water works, excluding the Manila metropolitan water system, thus far completed, which furnish potable water to a total population of 415,000 and have cost P5,033,348.82. Ten were completed in 1925. Forty were under construction at the end of the year and 90 were under consideration. One hundred and nine reinforced concrete buildings of over 100 cubic meters capacity each were erected, and 3 insular irrigation and 10 waterworks systems were completed, as the larger results in public works during the year. One hundred and four deep wells were successfully drilled, bringing the total number of artesian wells up to 1,751. This number includes private wells drilled from 1904 to 1925. These wells furnish about 40,000,000 gallons of potable water per day, supplying 2,000,000 people.

There was a steady improvement of the means of communication available in the islands. The Cagayan Valley Road is the one on which there was the most new construction. This road when completed will connect practically the whole extent of the vast and fertile Cagayan Valley by land with Manila. Among the important road projects completed were the link between Damortis and Agoo, in La Union Province, which shortens the road from the Ilocos Provinces to Manila by 40 kilometers, the road connecting the towns of Iloilo and San Jose, Antique and the Bantoc-Tagudin Road, which opens the capital of the Mountain Province to motor transportation for the first time.

BUREAU OF POSTS

	1924	1925	Per cent increase or decrease
Total revenues.....	P3, 728, 680	P4, 130, 412	+10. 7
Total expenditures.....	P3, 420, 607	P3, 411, 135	- . 3
Personnel.....	3, 339	3, 413	+2. 2

There are 28 radio stations operated by the bureau of posts and there will soon be 10 other stations constructed, money having been already set aside for these projects. Besides the establishment of new telegraph stations in 11 municipalities, the combined telegraph and telephone service was extended to 63 other towns and villages.

There were recorded 104 private amateur radio stations, equipped with both transmitters and receivers. It is not known if others that have not registered were in operation. It is estimated that there are about 500 receiving stations in the Philippines at this time. There were 2 broadcasting stations, 1 general public-service station, 1 experimental station, and 1 training-school station. There were 13 commercial ships of Philippine registry and 7 government ships equipped with radio apparatus and operators.

A first-class broadcasting station is needed. Such a station will make possible the broadcasting of world news as well as local news throughout the islands, provided the principal municipalities will equip themselves with loud speakers. There is hardly a municipality in the islands where radio messages in English can not be translated by students and teachers into the local dialect.

The number of motor vehicles registered reached 19,589, an increase of nearly 4,000 over the preceding year.

INTERISLAND SHIPPING

The Manila Railroad reduced its passenger rates on the Legaspi division. This action resulted in a great increase in net profits through increased traffic. The interisland shipping companies, on the other hand, continue in general to keep up their high rates. They have been able so far to defeat all efforts to reduce rates by presenting proofs that they require the present high rates in order to operate at a reasonable profit. If this is true, it must be due to inefficient management. The rates charged are such as to discourage and retard the normal development of interisland commerce. For some years efforts have been made to secure a revision of Philippine legislation which prohibits the replacement of foreign ships engaged in interisland trade which are worn out or lost. If such revision could be secured there would be a certain amount of competition, which would improve the service and tend to reduce the rates.

LABOR

There is no such disparity between wages and the cost of living as to cause any suffering among the laboring class. Daily wages run from 60 centavos, usually with subsistence, to 5 pesos for the highest

class of skilled technical labor. The relation between labor and capital as a whole is cordial. Wherever labor is well treated and reasonably well paid there is no trouble.

COAST AND GEODETIC SURVEY

The bureau of coast and geodetic survey finished the twenty-fourth year of its work in the Philippine Islands on December 31, 1925. The survey of many hitherto uncharted or imperfectly charted waters was completed during 1925 and added greatly to the safety of navigation; the principal efforts were devoted to the Sulu Archipelago and Bashi Channel. At the end of 1925 the following field operations had been performed:

Triangulation.....	square miles--	158, 006
Topography-shore line.....	miles--	17, 867
Hydrography.....	square miles--	187, 185
Number of soundings.....		6, 548, 781

CIVIL SERVICE

The bureau of civil service has been very efficiently and satisfactorily conducted. The following table shows the comparison between 1924 and 1925 in the personnel of the insular civil service.

	1924	1925	Per cent increase or decrease
Americans.....	526	506	-3.8
Filipinos.....	15, 212	16, 339	+7.4

The appointment of additional teachers and health officers, and the extension of the classified service as a result of the campaign to reduce the number of temporary employees, have contributed mainly to the increase in personnel noted.

The turnover was 9 per cent. There were 113 removals for cause, of which 15 were for dishonesty, 10 for inefficiency, and 11 for immorality.

BUREAU OF AUDITS

The various and complex duties of the insular auditor's office have been discharged in a highly satisfactory manner. The efficient conduct of this office has resulted in great benefit to the insular government. After much difficulty a clear understanding has been at last obtained of the financial status of the government-owned companies. The present salary of the auditor is entirely inadequate and should be increased to a minimum of \$10,000.

LEGISLATION

Seventy-two bills and one joint resolution were passed by the legislature. Forty-eight of these were approved and 24 bills and 1 joint resolution were vetoed. The same general delay in the

receipt of measures passed by the legislature occurred as during the preceding year. Only 11 bills were received before adjournment. The rest were received at the following times:

One bill, 4 days after adjournment.
 Sixteen bills, 10 days after adjournment.
 Three bills, 11 days after adjournment.
 Nineteen bills, 12 days after adjournment.
 One bill, 14 days after adjournment.
 Two bills, 16 days after adjournment.
 Six bills, 18 days after adjournment.
 Eight bills, 24 days after adjournment.
 Three bills, 28 days after adjournment.
 Three bills, 29 days after adjournment.

The times stated above are those when both the Spanish and English versions of the bills came to hand.

The law gives the Governor General 30 days after adjournment in which to act on bills. Had the bills been received before adjournment, the defects in a number of them might have been corrected and a veto avoided, but after adjournment there is, of course, no opportunity for conference or return of the bills to the legislature for conference or correction of defects. The statement of reasons for veto in each case was furnished to the legislature and copies of all bills vetoed and veto messages were forwarded to the Bureau of Insular Affairs.

A list of measures enacted into law is attached as an appendix to this report. The recommendations contained in the Governor General's message to the legislature are also attached.

AMERICAN GUARDIAN ASSOCIATION

The American Guardian Association continued its excellent work and is doing much in the care and education of American mestizo children whose fathers have died or abandoned them or are unable to support them. The work of the organization is deserving of the highest praise.

WOMEN'S CLUBS

The women's clubs continued their effective work, described as follows in the 1924 report:

One of the strongest influences for building up a healthy interest for good provincial and municipal government is that of the numerous women's clubs. They have done excellent work, especially in behalf of child welfare, public health, public instruction, private and public morality, and the stimulating of interest in local government—municipal and provincial.

The work done by the women and their attitude in public affairs justifies me in renewing the recommendation made in last year's and preceding reports that suffrage be granted to women to the same extent and under the same conditions as to men.

BUREAU DIRECTORS

As a rule the bureau directors discharged the duties pertaining to their various offices satisfactorily and efficiently and contributed very largely to the successful conduct of the government. The directors of the various bureaus represent the most experienced and highly trained personnel in the government service. More detailed reference concerning their duties and the manner of their discharge will be found in the report of the department secretaries.

COOPERATION OF THE UNITED STATES ARMY AND NAVY

A spirit of cordial cooperation has characterized the relations between the general commanding the Philippine department (Maj. Gen. J. H. McRae) and the admiral commanding the Asiatic Fleet (Admiral Thomas Washington). The same spirit has characterized the relations between the officers of both services and those of the civil government whenever they have come in contact.

ATTACHED STAFF

The attached staff, Brig. Gen. Halstead Dorey, Col. George T. Langhorne, Lieut. Col. John L. Shepard, Lieut. Col. R. A. Duckworth-Ford (Philippine Constabulary), Maj. Burton Y. Read, Maj. A. P. Hitchens, and Lieut. H. A. Meyer, all rendered efficient and valuable service. Major Read and Lieutenant Colonel Duckworth-Ford were on duty as aids-de-camp. The only changes were the relief early in the year of Brig. Gen. Frank R. McCoy as chief of staff by Brig. Gen. Halstead Dorey and the relief late in the year of Col. John L. Shepard, as adviser in public health matters, by Maj. A. P. Hitchens. Second Lieut. H. A. Meyer was attached in November. Mr. Richard R. Ely was appointed early in the year to the position of assistant secretary, which was vacated in the preceding November by the resignation of Mr. J. M. Woolfolk.

I wish to express again my appreciation, after further close association in the administration of the government, of the efficient and valuable services of the vice governor, secretary of public instruction, the department secretaries, the acting secretaries, and the bureau chiefs, and their subordinates throughout the service. Association with them has been harmonious and cordial and there has been a spirit of cooperation in our mutual efforts to secure best results. I also wish again to express my appreciation of the faithful and efficient services of the personnel of the Governor General's office, especially of my secretaries, Mr. C. W. Franks and Mr. R. R. Ely, all of whom have worked cheerfully and efficiently, regardless of hours, whenever there has been need of extra service.

Very respectfully,

LEONARD WOOD,
Governor General.

The SECRETARY OF WAR,
Washington, D. C.

(APPENDIX A)

[Radiogram]

REPLY OF PRESIDENT COOLIDGE TO SPEAKER ROXAS

WASHINGTON, March 7, 1924.

Wood, Manila.

President delivered following reply to Philippine mission March 5:

"THE WHITE HOUSE,
Washington, February 11, 1924.

"MY DEAR MR. ROXAS: The resolutions adopted by the Senate and House of Representatives of the Philippines touching upon the relations between the Filipino people and the Government of the United States have been received. I have noted carefully all that you have said regarding the history of these relations, and I have sought to inform myself so thoroughly as might be as to the occasions of current irritation between the Legislature of the Philippines and the executive authority of the islands.

"In your presentment you have set forth more or less definitely a series of grievances, the gravest of which is that the present executive authority of the islands, designated by the United States Government, is in your opinion out of sympathy with the reasonable national aspirations of the Filipino people. If I do not misinterpret your protest, you are disposed to doubt whether your people may reasonably expect, if the present executive policy shall continue, that the Government of the United States will in reasonable time justify the hopes which your people entertain of ultimate independence.

"The declaration of the commission of independence charges the Governor General with illegal, arbitrary, and undemocratic policies, in consequence of which the leaders of Filipino participation in the government have resigned and their resignations have been accepted by the Governor General.

"The commission of independence declares that 'it is necessary to take all needful steps and to make use of all lawful means within our power to obtain complete vindication of the liberties of the country now violated and invaded.' It proceeds: 'And we declare finally that this, grave and serious as it is, once more demonstrates that the immediate and absolute independence of the Philippines, which the whole country demands, is the only complete and satisfactory settlement of the Philippine problem.'

"It is occasion for satisfaction to all concerned that this declaration is couched in terms of moderation and that it goes no farther than to invoke all lawful means within your power. So long as such discussions as this shall be confined to the consideration of lawful means there will be reason to anticipate mutually beneficent conclusions.

"It is therefore a matter of congratulation, which I herewith extend, that you have chosen to carry on this discussion within the bounds of lawful claims and means. That you have thus declared the purpose to restrict your modes of appeal and methods of enforcing it is gratifying evidence of the progress which the Filipino people under American auspices have made toward a demonstrated capacity for self-government.

"The extent to which the grievances which you suggest are shared by the Filipino people has been a subject of some disagreement. The American Government has information which justifies it in the confidence that a very large proportion, at any rate, and possibly a majority of the substantial citizenry of the islands does not support the claim that there are grounds for serious grievance.

"A considerable section of the Filipino people is further of the opinion that at this time any change which would weaken the tie between the Filipinos and the American Nation would be a misfortune to the islands. The world is in a state of high tension and unsettlement, and possibility of either economic or political disorder calculated to bring misfortune if not disaster

to the Filipino people, unless they are strongly supported, is not to be ignored. It should not be overlooked that within the past two years as a result of international arrangements negotiated by the Washington Conference on Limitation of Armament and problems of the Far East, the position of the Filipino people has been greatly improved and assured.

"For the stabilizing advantages which accrue to them in virtue of the assurance of peace in the Pacific they are directly indebted to the initiative and efforts of the American Government. They can ill afford, in a time of so much uncertainty in the world, to underestimate the value of these contributions to their security. By reason of their assurance against attack by any power, by reason also of that financial and economic strength which inevitably accrues to them by reason of the expanded and still expanding opportunities for industrial and economic development, because of all these considerations the Filipino people would do well to consider most carefully the value of their intimate associations with the American Nation.

"Although they have made wonderful advances in the last quarter century the Filipino people are by no means equipped, either in wealth or experience, to undertake the heavy burden which would be imposed upon them with political independence. Their position in the world is such that without American protection there would be the unrestricted temptation to maintain an extensive and costly diplomatic service and an ineffective but costly military and naval service. It is to be doubted whether with the utmost exertion, the most complete solidarity among themselves, the most unqualified and devoted patriotism it would be possible for the people of the islands to maintain an independent place in the world for an indefinite future.

"In presenting these considerations it is perhaps worth while to draw your attention to the conditions in which some other peoples find themselves by reason of lacking such guaranties and assurances as the Filipino people enjoy. The burdens of armament and of governmental expenses which many small nations are compelled to bear in these times are so great that we see everywhere the evidence of national prosperity and community progress hindered if not destroyed because of them. During the World War the Filipino people were comparatively undisturbed in their ordinary pursuits, left free to continue their fine progress. But it may well be doubted whether, if they had been short of the protection afforded by the United States, they could have enjoyed so fortunate an experience. Much more, probably, they would have become involved in the great conflict and their independence and nationality would have become, as did those of many other peoples, pawns in the great world reorganization. There could be no more unfortunate position in which to place a people such as your own.

"You have set your feet firmly in the path of advancement and improvement. But you need, above all, assured opportunity of continuing in that course without interference from the outside or turmoil within. Working out the highest destiny of even the most talented and advanced of peoples is a matter of many generations.

"A fair appraisal of all these considerations and of others which suggest themselves without requiring enumeration will, I am sure, justify the frank statement that the Government of the United States would not feel that it had performed its full duty by the Filipino people nor discharged all of its obligation to civilization if it should yield at this time to your aspiration for national independence.

"The present relationship between the American Nation and the Filipino people arose out of a strange, and almost unparalleled, turn of international affairs. A great responsibility came unsought to the American people. It was not imposed upon them because they had yielded to any designs of imperialism or of colonial expansion. The fortunes of war brought American power to your islands, playing the part of an expected and a welcome deliverer. You may be very sure that the American people have never entertained the purpose of exploiting the Filipino people or their country. There have indeed been different opinions among our own people as to the precisely proper relationship with the Filipinos. There are some among us, as there are some among your people, who believe that immediate independence of the Philippines would be best for both.

"I should be less than candid with you, however, if I did not say that, in my judgment, the strongest argument that has been used in the United States in support of immediate independence of the Philippines is not the argument that it would benefit the Filipinos but that it would be to the advantage of

the United States. Feeling as I do and as I am convinced the great majority of Americans do regarding our obligations to the Filipino people, I have to say that I regard such arguments as unworthy. The American people will not evade or repudiate the responsibility they have assumed in this matter.

"The American Government is convinced that it has the overwhelming support of the American Nation in its conviction that present independence would be a misfortune and might easily become a disaster to the Filipino people. Upon that conviction the policy of this Government is based.

"Thus far I have suggested only some of the reasons related to international concerns, which seem to me to urge strongly against independence at this time. I wish now to review for a moment some domestic concerns of the Philippine Islands which seem also to argue against present independence.

"The American Government has been most liberal in opening to the Filipino people the opportunities of the largest practicable participation in and control of their own administration. It has been a matter of pride and satisfaction to us, as I am sure it must also have been to your people, that this attitude has met with so fine a response. In education, in cultural advancement, in political conceptions, and institutional development the Filipino people have demonstrated a capacity which can not but justify high hopes for their future. But it would be idle and insincere to suggest that they have yet proved their possession of the completely developed political capacity which is necessary to a minor nation in assuming the full responsibility of maintaining itself in the family of nations.

"I am fully convinced that the very mission upon which you have addressed me is itself an evidence that something is yet lacking in development of political consciousness and capability.

"One who examines the grounds on which are based the protests against the present situation is forced to conclude that there has not been thus far a full realization of the fundamental ideals of democratic republican government.

"There have been evidences of a certain inability or unwillingness to recognize that this type of governmental organization rests upon the theory of complete separation of the legislative, executive, and judicial functions. There have been many evidences of disposition to extend the functions of the legislature and thereby to curtail the proper authority of the executive. It has been charged that the present Governor General has in some matters exceeded his proper authority, but an examination of the facts seems rather to support the charge that the legislative branch of the insular government has been the real offender through seeking to extend its own authority into some areas of what should properly be the executive realm.

"The Government of the United States has full confidence in the ability, good intentions, fairness, and sincerity of the present Governor General. It is convinced that he has intended to act and has acted within the scope of his proper and constitutional authority. Thus convinced, it is determined to sustain him. Its purpose will be to encourage the broadest and most intelligent cooperation of the Filipino people in their policy.

"Looking at the whole situation fairly and impartially, one can not but feel that if the Filipino people can not cooperate in the support and encouragement of as good an administration as has been afforded under Governor General Wood, such failure will be rather a testimony of unpreparedness for the full obligations of citizenship than an evidence of patriotic eagerness to advance their country.

"I am convinced that Governor General Wood has at no time been other than a hard-working, painstaking, and conscientious administrator. I have found no evidence that he has exceeded his proper authority or that he has acted with any other than the purpose of best serving the real interests of the Filipino people. Thus believing, I feel that I am serving those same interests by saying frankly that it is not possible to consider the extension of a larger measure of autonomy to the Filipino people until they shall have demonstrated a readiness and capacity to cooperate fully and effectively with the American Government and authorities. For such cooperation I earnestly appeal to every friend of the islands and their people.

"I feel in all confidence, that in the measure in which it shall be extended, the American Government will be disposed to grant in increasing degree the aspirations of your people. Nothing could more regrettably affect the relations of the two peoples than that the Filipinos should commit themselves to a

program calculated to inspire the fear that possibly the governmental concessions already made have been in any measure premature.

"In conclusion, let me say that I have given careful and somewhat extended consideration to the representations you have laid before me. I have sought counsel of a large number of men whom I believe able to give the best advice; particularly I have had in mind always that the American Nation could not entertain the purpose of holding any other people in a position of vassalage. In accepting the obligations which came to them with the sovereignty of the Philippine Islands the American people had only the wish to serve, advance, and improve the conditions of the Filipino people. That thought has been uppermost in every American determination concerning the islands. You may be sure that it will continue the dominating factor in the American consideration of the many problems which must inevitably grow out of such relationship as exists.

"In any survey of the history of the islands in the last quarter century I think the conclusion inescapable that the Filipino people, not the people of the United States, have been the gainers. It is not possible to believe that the American people would wish otherwise to continue their responsibility in regard to the sovereignty and administration of the islands. It is not conceivable that they would desire, merely because they possessed the power, to continue exercising any measure of authority over a people who could better govern themselves on a basis of complete independence.

"If the time comes when it is apparent that independence would be better for the people of the Philippines, from the point of view of both their domestic concerns and their status in the world, and if when that time comes the Filipino people desire complete independence, it is not possible to doubt that the American Government and people will gladly accord it.

"Frankly it is not felt that that time has come.

"It is felt that in the present state of world relationship the American Government owes an obligation to continue extending a protecting arm to the people of these islands.

"It is felt also that, quite aside from this consideration, there remains to be achieved by the Filipino people many greater advances on the road of education, culture, economic, and political capacity before they should undertake the full responsibility for their administration. The American Government will assuredly cooperate in every way to encourage and inspire the full measure of progress which still seems a necessary preliminary to independence.

"Very truly yours,

"CALVIN COOLIDGE."

McINTYRE.

APPENDIX B

CABLEGRAM SENT BY GOVERNOR GENERAL WOOD TO THE SECRETARY OF WAR

MANILA, *March 14, 1924.*

SEC. WAR,
Washington.
(McIntyre).

Strictly confidential.

Re your 595: I sympathize deeply with the desire of the Filipino people for independence, but know they are not yet prepared to assume its responsibility, either from the standpoint of instructed public opinion, preparedness for defense, a common language, or economic resources. I am convinced that the President's letter to Speaker Roxas voices the true interests of the Filipino people and indicates the sound, sane, humane policy which should be followed. The present organic act with certain amendments is adequate to carry out this policy until such time as the final relations which are to exist between the United States and the people of the Philippine Islands may be determined. To grant immediate independence would be a heartless betrayal of our trust and result in turning over the 12,000,000 people of these islands to strife and disorder in the near future, for it would result in almost immediate serious clashes between the Moros and Christian Filipinos, the former being a unit against independence and desiring the continuance of American sovereignty. It would

defeat true independence, both economic and political, ruin the sugar and tobacco industries, destroy confidence in investments, with resulting wrecking of the finances of the islands, with attendant idleness and disorder. It would be a serious blow to western civilization and to the Christian effort in the Far East, and render unavailing or destroy much of our work here. I am convinced the true situation in the Philippines is not understood either by Congress or the American people, who have been misinformed and deceived by misleading propaganda and information which has been circulated by the independence mission's press bureau and others; and I urge that the fullest opportunity for a hearing be given to those who have lived here long years, have had wide experience, and are thoroughly familiar with existing conditions. The people are contented and public order is excellent, except for occasional clashes in the Moro country and disturbances arising from fanatical religious outbreaks against the authorities, such as the recent Colorum disturbances.

I am convinced that the people as a whole in their hearts appreciate the benefits which have come to them under our flag and that our government here is conducted for their best interests. In the two and a half years I have been here as governor general I have received but one petition from the people on the subject of independence, and during all this so-called crisis, during which agitators—and I am sorry to say, some of the leaders—have tried to line up the Filipinos against the Government and representative of the United States, I have not received a single signed or unsigned communication of an unfriendly character from any one of the 12,000,000 inhabitants of the islands. This tells the story. The bulk of the people want independence at some future time and, generally speaking, under our protection. Those who understand present conditions know that they are not yet ready for independence. This most of the political leaders, indeed all of the prominent ones, have admitted to me, some of them repeatedly and very recently. They admit freely that a considerable number of years will be required before the people will be prepared for independence, either from the standpoint of national defense or resources. They all labor under the impression that whatever trouble they may get into, troubles which are certain to occur with neighboring powers due to racial, immigration, and other problems, we will come to their assistance; and they do not realize that once we leave here we can not return. I am sure that once the actual conditions are known to the American people and to Congress it will not be the policy of either to abandon these people until they are prepared to maintain a stable government and meet the obligations of an independent national existence. Agitators and disseminators of false and misleading propaganda have thus far very largely had the floor, and with the exception of statements contained in the letter of the President, and those of the Secretary of War and a few others, the American people have been misled and befuddled as to Philippine conditions and sentiments toward the United States. We should go ahead courageously, patiently, and kindly in the discharge of our clear duty to these people and to the world. No greater or more brutal injustice could be done these people than to abandon them under the guise of granting them immediate independence when they are not ready for it; and I am convinced that such procedure would in the end be not only destructive to Philippine hopes and aspirations, but most unfortunate to those responsible for such a policy, once the American people understand the real conditions and see the results of such a policy. We have put our hands to the plow and this is not the time to turn back.

We must not be swept off our feet by the purely local and artificial agitation produced by a small group fanning the very natural desire of the people for independence, but absolutely failing to enlighten them as to existing conditions or the cost and responsibilities which independence involves.

Most of the serious defects pointed out by the Wood-Forbes report are in process of being corrected but under great difficulties and will require years for accomplishment, such as development of natural resources, preparation for economic and national independence, and preparation for national defense, and the building up of individual civic courage. The people are too often afraid to express themselves openly and frankly. In conclusion, as I see it, the responsibility rests squarely upon us to continue our work here until we ourselves are satisfied these people are prepared to maintain an independent national existence.

WOOD.

APPENDIX C

MESSAGE OF GOVERNOR GENERAL LEONARD WOOD TO THE
SEVENTH PHILIPPINE LEGISLATURE

Delivered July 16, 1925, at the opening of the first session

Gentlemen of the Legislature:

I have the honor to submit a brief statement of general conditions, together with certain recommendations looking to an increase of revenues, the development of our natural resources, the improvement of our schools, the betterment of sanitary conditions, the encouragement of interisland shipping, a more equitable application of taxes, the increase of municipal and provincial autonomy, and other matters.

Various important recommendations intended for your consideration will be submitted from time to time in the form of special messages and measures proposing legislation.

During the past year I visited most portions of the archipelago, including all Provinces and larger cities. I am glad to inform you that, generally, speaking, I have found everywhere a contented and happy people living under steadily improving conditions and surroundings. Business conditions are everywhere improving. There has been a marked increase in revenues. Collection of taxes has been better than in the preceding year. The balance of trade has been heavily in our favor and exchange has been stable. Public order, with minor exceptions, has been good, and a spirit of cordial cooperation has characterized relations between the insular government and the Army and Navy. Public-health conditions have steadily improved, as shown by the reduction in the death rate per thousand, which was 15.48 per 1,000, as compared with 18.44 for 1923, the lowest previous record. There have been no serious epidemics, no serious floods or widespread loss of crops or other occurrences prejudicial to public health and prosperity. The total increase in revenue over that of the preceding year was ₱9,120,945; the cost of maintaining the government was ₱969,020 less than the preceding year, making a total of ₱10,089,965 in favor of 1924 as compared with 1923. This amount will be devoted to putting the government on a cash basis.

While there have been no serious disturbances, there have been some indications of local unrest, which at times threatened public order. None of them had the character of organized resistance to authority, and they were due generally to the action of misguided people following fanatical leaders. There was considerable unrest among the Moro population in the Province of Lanao, due in part to a belief among the Moros that some of their leaders were killed without sufficient justification, and in part to the long-standing antipathy which exists between the Mohammedan Moro and the Christian Filipino. There will be for years to come occasional disturbances in the Moro regions, due in the last analysis to this antagonism which has been accentuated by the rapid Filipinization of these regions. There was a brief disturbance in Manila which for a time threatened to result in a serious race riot between Filipinos and Chinese. This, however, was promptly suppressed and the disturbance did not assume very serious proportions. There was some unrest in occidental Negros, due to the existence of secret societies; also in some of the Provinces of Luzon, incident to differences between landowners and tenants.

The activities of the various departments of the government have been conducted, in general, efficiently and satisfactorily, four of them under the direction of the undersecretaries acting as secretaries. The constabulary has maintained its past record for a high degree of efficiency and enjoys public confidence throughout the islands.

There has been a very good spirit of cooperation shown by the Provinces and municipalities in carrying out the policies of the insular government.

The interest in public instruction continues to be keen everywhere, and it is one of the most encouraging features of the Philippine situation. The people are deeply and sincerely interested in the schools and contribute liberally to their support. The schools are crowded to the utmost capacity throughout the islands, except in some of the Mohammedan districts. Even here the tide has turned and attendance is steadily increasing. The bureau of education has been efficiently conducted under difficult conditions incident to many changes in the teaching force and to great difficulty in securing teachers

from the United States at the salaries offered. Special effort has been made to improve primary and intermediate schools, as it is in these schools that 95½ per cent of the children receive their education. Government appropriations for schools have been most liberal and private contributions in the form of materials, money, and labor for the construction of municipal schools have been generous.

During the year a thorough and careful survey has been made by a most competent committee of educators. Their report has already been transmitted to you. While appreciative of the work done, it invites attention especially to the need of emphasizing quality as well as quantity and stresses the importance of agricultural, vocational, and other practical training and to the urgent need of more American teachers.

The average length of stay in the public schools is three years. This period is not long enough for the best development for permanent use of even the rudiments of an education. Hence we should make an effort to so organize and develop our school system as to give a longer average period in the schools. Four years should be the basic minimum, and it should be raised to five as soon as possible.

The requirements for teachers should be raised as rapidly as circumstances will permit until a standard is reached where the qualifications for teaching are at least two years of normal-school work.

From personal observations resulting from many trips of inspection covering all parts of the island, I feel that the progress which has been made in English has been remarkable. I am also convinced that if we are to have English properly taught we must have a much larger force of American teachers, a force sufficient at least for the normal schools where teachers are trained.

The thorough teaching of English is most important, as nothing will do more to build up national solidarity and an instructed public opinion than the use of English as a common language, thus making possible a much wider and more rapid circulation of information through the local press. At present information on public matters circulates very slowly. Much can be done to improve this by building up and improving radio communication so that important news may be radioed throughout the islands promptly. In every municipality there are many who understand English and news radioed in English could be translated into the local dialect and information thus broadcast be made promptly available.

The number of both schools and pupils has steadily increased and the spirit among the teachers in the schools has been one of loyal devotion to service. If we could create the same interest in economic development as we have in education, the progress of the islands would be greatly accelerated.

There is urgent need of legislation providing fixed sources of income for the university.

The private schools and universities fulfill a distinct need in the life of the community, but for the protection of the public and for the protection of the better class of private school provision should be made for more extensive and more rigid inspection of all private schools and universities.

Mention is again made of the commendable progress made in the preparation for national defense through the establishment of military training in the University of the Philippines and various private universities and schools. This training should be encouraged and carried on under carefully selected officers of the Army.

Most valuable and encouraging work has been done in connection with leprosy. There are now over 400 negatives in the colony and several hundred more in prospect. One hundred and ninety-seven former lepers have been sent back to their homes as cured and about 75 per cent of those under treatment have improved, all of which is extremely encouraging and indicates that there is a very good prospect of successfully combating this dread disease. The results of the work at Culion have been such that the atmosphere there is now one of hope rather than despair. Funds are much needed for additional buildings, for the development of the water supply, and for roads into the interior, so that agricultural colonies may be established. Efforts are being made to raise money in the United States to supplement the very generous contributions of the insular government.

Infant mortality still continues to be heavy. This condition may best be improved by the education of mothers and others having the care of young children.

A vigorous campaign against yaws and hookworm has been undertaken with good results.

Much valuable work has been done by the doctors and nurses of the Philippine Health Service and by the public-welfare commissioner and those working under his direction. The work of the latter is closely allied to the public-health work and the personnel should be a part of the Philippine Health Service. The result of the present arrangement is much duplication of work and additional expense.

The Red Cross has also rendered valuable service in health work as have also the various missionary hospitals and dispensaries.

The research work of the Rockefeller Foundation and the investigations of the Army Research Board continues to be of great assistance in dealing with health problems.

Nevertheless the chief burden of health work is carried by the Philippine Health Service.

In the non-Christian Provinces determined effort has been made to use non-Christians to the greatest extent possible in filling the offices in these Provinces. Up to the present time, while progress has been made, it has been rather slow due to the lack of properly trained individuals.

With reference to the government in business, special reports on government business activities have already been submitted to you. It is sufficient to say that there is nothing to warrant any change in the previously expressed opinion that the government should withdraw from business in so far as the operation of the railroad, sugar centrals, coal mines, cement plant, and other properties is concerned, and should transfer them to private ownership under conditions which will protect public interests.

There has been improvement in the administration of justice and an increase in the number of cases handled. Additional personnel has been given to the department for the purpose of expediting the disposal of land cases.

A number of important bills presented to you during the last session, but which were not acted upon, will be again presented, and I trust will receive your favorable consideration. They have been prepared for the purpose of aiding in the economic development of the country. I especially commend to your careful consideration measures for the improvement of our mining laws, which will result in the development of our great mineral resources; for the improvement of the conditions surrounding our shipping; and for the development of our vast and as yet almost untouched natural resources.

I again call your attention to the need of protecting and developing our fisheries, which are a source of great potential wealth now neglected, or handled in the most primitive and inefficient way.

I also commend to your favorable consideration the measures providing a larger measure of autonomy for Provinces and municipalities in the matter of levying taxes for public instruction, public health, and public works.

I recommend the continuation of the sales tax. It is an equitable tax, easily collected, and the income derived from it is urgently needed for the maintenance of the government.

The need of providing proper facilities for the care and treatment of our insane is also again brought to your attention.

The income-tax exemption should be lowered to ₱2,000 for unmarried and ₱4,000 for married persons, with the continuance of the present exemption rate for minor children.

Private property which has increased in value through the construction of public works, such as new streets, paving, water, sewers, etc., adjoining the property should pay a certain proportion on the cost of the same, to be fixed by local assessors.

The wharfage tax should be abolished. It is prejudicial to mining, to commerce, and to agriculture.

Your attention is again invited to the need for adequate buildings and equipment for our larger agricultural schools, particularly the Munoz Agricultural School.

I recommend that steps be taken to extend the limits of the city of Manila so as to include Pasay and neighboring country. Such action will tend to facilitate the maintenance of law and order in the city of Manila.

There should be liberal provisions for the personnel of the bureaus of forestry, internal revenue, and customs, as such provisions will tend to give more effective protection to forests and will result in a more efficient collection of revenues.

I repeat my previous recommendation that the right of suffrage be extended to the women of the Philippine Islands under the same conditions as to the men.

I urge the careful consideration of the annual reports of the secretaries of the executive departments and the bureau chiefs, which give a detailed statement of the activities of the government.

I again urge upon you the necessity of maintaining the distinct line of demarcation between the executive, legislative, and judicial branches of the government. This is absolutely necessary in order that the form of government we have here may function harmoniously and effectively and the rights of the people be preserved.

Your attention is respectfully invited to the provisions of section 19 of the Jones law, which require that each house of the legislature shall keep a journal of its proceedings which from time to time shall be published, and to the necessity of shaping all legislation so as to avoid conflict with the provisions of the organic act.

The problems which confront us are many and difficult. They can only be solved successfully by all branches of the government working in harmony. To this end I again bespeak your cooperation in our mutual efforts for the welfare of the Filipino people, especially for the enactment of constructive legislation for the economic development of the country.

Very respectfully,

LEONARD WOOD,
Governor General.

The PHILIPPINE LEGISLATURE, *Manila*.

APPENDIX D

PROGRESS BAROMETER

NOTE

Statistics contained herein, up to and including 1912, were obtained from the progress barometer compiled during administration of Governor General Forbes. The figures for 1913 to 1920, inclusive, were furnished the Wood-Forbes mission by bureau chiefs concerned. The figures for 1921, 1922, 1923, and 1924 have been obtained from the annual reports of the respective bureaus and companies.

A notation in the original progress barometer drew attention to the passage and consequent effects of the tariff law of 1909 known as the Payne bill, which went into effect in October, 1909.

RICHARD R. ELY.

MANILA, April 7, 1924.

Internal-revenue statistics

Year	Total collections	Increase (+) or decrease (-)	Year	Total collections	Increase (+) or decrease (-)
		<i>Per cent</i>			<i>Per cent</i>
1906.....	\$5,683,303	-----	1916.....	\$15,365,819	+12
1907.....	6,374,482	+12	1917.....	19,968,685	+30
1908.....	7,169,887	+12	1918.....	24,254,082	+21
1909.....	7,347,202	+2	1919.....	26,642,378	+10
1910.....	8,763,912	+19	1920.....	29,685,630	+11
1911.....	9,603,066	+10	1921.....	24,703,515	-17
1912.....	10,592,084	+10	1922.....	23,306,439	-6
1913.....	11,392,381	+8	1923.....	25,709,556	+10
1914.....	11,275,055	-1	1924.....	28,032,735	+9
1915.....	13,694,197	+21	1925.....	30,316,785	+8

¹Act 2991 relieved the collector of internal revenue from collection of certain municipal taxes of the city of Manila. The amount of these taxes is included in figures of the collector of internal revenue up through 1920. The amount of these taxes for 1921 and 1922 is obtained from the treasurer, city of Manila, and is included in the figures for 1921 and 1922.

Internal-revenue statics—Continued

Year	Receipts from percentage tax on business	Amounts of business on which percentage tax is collected	Increase (+) or decrease (-)	Year	Receipts from percentage tax on business	Amounts of business on which percentage tax is collected	Increase (+) or decrease (-)
			<i>Per cent</i>				<i>Per cent</i>
1906.....	\$682,696	\$204,808,800	-----	1916.....	\$3,409,888	\$340,988,800	-11
1907.....	686,123	205,836,900	+1	1917.....	4,816,695	481,669,500	+41
1908.....	652,657	195,797,100	-5	1918.....	6,887,530	688,753,000	+43
1909.....	638,289	191,486,700	-2	1919.....	6,936,380	693,638,000	+1
1910.....	768,613	230,583,900	+20	1920.....	8,637,657	863,765,700	+25
1911.....	896,644	268,993,200	+17	1921.....	5,499,257	549,925,700	-36
1912.....	967,293	290,187,900	+7	1922.....	5,254,664	525,466,400	-4
1913.....	1,119,476	335,842,800	+16	1923.....	7,288,953	728,895,300	+31
1914 ²	1,087,783	326,334,900	-3	1924.....	8,854,799	885,479,900	+26
1915.....	2,558,097	363,714,500	+18	1925.....	9,369,354	936,935,400	+6

² Rate changed from one-third of 1 per cent to 1 per cent Jan. 1, but collections for October and December, 1914, were made after Jan. 1, 1915.

³ Estimated on basis that one-fourth collections were at former rate.

⁴ Act 3065 places tax of 1½ per cent on certain business, years 1906 to 1913, inclusive, are for 12 months ending June 30; the following years are for 12 months ending Dec. 31.

Year	Cigars manufactured	Number of cigarettes manufactured	Year	Cigars manufactured	Number of cigarettes manufactured
	Number	Increase (+) or decrease (-)		Number	Increase (+) or decrease (-)
		<i>Per cent</i>			<i>Per cent</i>
1906.....	168,526,079	-----	1916.....	271,868,278	+48
1907.....	197,243,119	+17	1917.....	412,138,207	+52
1908.....	198,754,787	+1	1918.....	485,674,450	+18
1909.....	204,649,901	+3	1919.....	499,059,234	+28
1910.....	285,561,328	+39	1920.....	510,800,333	+2
1911.....	228,251,291	-20	1921.....	230,224,705	-55
1912.....	254,918,845	+25	1922.....	398,361,334	+73
1913.....	305,651,429	+7	1923.....	423,549,037	+6
1914.....	243,134,200	-20	1924.....	353,861,084	-16
1915.....	184,308,392	-24	1925.....	359,159,315	+2

The years 1906 to 1913, inclusive, are for 12 months ending June 30; the following years are for 12 months ending Dec. 31.

Trade with the United States

Year	Imports from the United States	Exports to the United States	Total	Year	Imports from the United States	Exports to the United States	Total
1899.....	\$1,150,613	\$3,540,894	\$4,691,507	1913.....	\$25,387,085	\$19,849,374	\$45,236,458
1900.....	1,656,469	3,635,160	5,291,629	1914.....	24,011,401	24,427,710	48,439,111
1901.....	2,666,930	2,572,021	5,238,951	1915.....	26,381,069	23,653,211	50,034,280
1902.....	4,035,243	7,871,743	11,906,986	1916.....	22,862,673	35,648,133	58,510,806
1903.....	3,944,082	13,863,059	17,807,141	1917.....	37,620,645	63,234,359	100,855,007
1904.....	4,843,207	11,102,860	15,946,067	1918.....	58,824,611	89,146,918	147,971,529
1905.....	5,839,512	15,678,875	21,518,387	1919.....	75,491,415	56,652,692	132,144,107
1906.....	4,333,917	11,580,569	15,914,486	1920.....	92,289,778	105,216,263	197,506,041
1907.....	5,155,478	12,082,364	17,237,842	1921.....	74,130,015	50,356,793	124,486,808
1908.....	5,079,670	10,332,116	15,411,786	1922.....	47,738,325	64,111,601	111,849,926
1909.....	4,693,851	10,154,087	14,847,938	1923.....	50,352,535	85,047,023	135,399,558
1910.....	10,775,301	18,703,083	29,478,384	1924.....	60,398,603	97,313,903	157,712,506
1911.....	19,483,658	16,716,956	36,200,614	1925.....	69,297,583	109,044,941	178,342,524
1912.....	20,604,155	21,634,403	42,238,558				

The years 1899 to 1913, inclusive, are for 12 months ending June 30; the following years are for 12 months ending Dec. 31.

Total trade, including that with the United States

Year	Imports		Exports		Total customs collections	Foreign tonnage cleared	
	Value	Increase (+) or decrease (-)	Value	Increase (+) or decrease (-)		Amount	Increase (+) or decrease (-)
		<i>Per cent</i>		<i>Per cent</i>			<i>Per cent</i>
1899	\$13,116,567		\$14,640,162		\$3,106,380	336,550	
1900	20,601,436	+57	19,821,347	+35	5,542,289	636,034	+89
1901	30,276,200	+47	23,222,348	+17	8,982,813	977,094	+54
1902	32,029,357	+6	24,544,858	+6	8,528,938	1,104,968	+12
1903	32,978,445	+3	33,150,120	+35	9,540,706	1,542,200	+40
1904	33,221,251	+1	30,226,127	-9	8,493,868	1,541,138	
1905	30,879,048	-7	32,355,865	+7	8,263,444	1,417,396	-8
1906	25,799,290	-16	31,918,542	-1	7,553,206	1,455,055	+3
1907	28,786,063	+12	33,721,767	+6	8,194,708	1,293,266	-11
1908	30,918,745	+7	32,829,816	-3	8,318,020	1,464,448	+13
1909	27,794,482	-10	30,933,563	-6	8,538,098	1,392,333	-5
1910	37,067,830	+33	39,864,169	+28	8,286,073	1,715,268	+23
1911	49,833,722	-34	39,778,629	-2	8,678,810	1,808,308	+5
1912	54,549,980	+9	50,319,836	+26	9,363,296	1,939,079	+7
1913	56,327,533	+3	53,683,326	+7	8,245,026	1,868,811	-4
1914	48,588,653	-14	48,689,634	-9	5,948,546	1,907,284	+2
1915	49,312,184	+15	53,813,004	+11	6,404,189	1,718,113	-10
1916	45,496,338	-8	69,937,183	+13	6,110,158	1,594,124	-7
1917	65,797,031	+45	95,604,307	+37	6,785,504	1,464,529	-8
1918	98,599,212	+50	135,194,482	+41	8,220,268	1,544,648	+5
1919	118,639,052	+20	113,117,826	-16	7,212,654	1,705,869	+10
1920	149,438,283	+26	151,123,856	+34	8,878,933	2,771,214	+62
1921	115,838,574	-23	88,115,323	-42	8,431,532	2,727,376	-1
1922	80,197,644	-31	95,583,298	+8	7,614,634	3,076,263	+13
1923	87,499,747	+9	120,752,990	+26	8,529,281	3,242,753	+5
1924	108,010,895	+13	135,344,663	+12	10,817,304	3,616,171	+12
1925	119,732,833	+11	148,877,205	+10	11,109,460	3,711,270	+3

The years 1899 to 1913, inclusive, are for 12 months ending June 30; the following years are for 12 months ending Dec. 31.

Coastwise tonnage cleared

Year	Tonnage	Increase (+) or decrease (-)	Year	Tonnage	Increase (+) or decrease (-)
		<i>Per cent</i>			<i>Per cent</i>
1899	237,852		1913	1,325,369	-3
1900	482,685	+103	1914	1,478,081	+12
1901	676,307	+40	1915	1,419,470	-4
1902	773,243	+14	1916	1,323,528	-7
1903	832,438	+8	1917	1,334,120	+1
1904	905,821	+9	1918	1,298,313	-3
1905	840,504	-7	1919	1,521,633	+17
1906	774,032	-8	1920	1,637,542	+7
1907	899,915	+16	1921	1,683,316	+3
1908	978,968	+9	1922	1,849,740	+10
1909	1,045,075	+7	1923	1,850,822	+2
1910	1,053,426	+1	1924	2,105,226	+12
1911	1,303,606	+24	1925	2,252,779	+7
1912	1,362,620	+5			

The years 1899 to 1913, inclusive, are for 12 months ending June 30; the following years are for 12 months ending Dec. 31.

Importations of coal (equal consumption very nearly)¹

Metric tons (2,205 pounds)

1899	30,812	1913	459,583
1900	87,238	1914	597,131
1901	126,732	1915	477,633
1902	236,332	1916	463,386
1903	268,650	1917	403,507
1904	295,716	1918	405,109
1905	269,666	1919	400,537
1906	268,577	1920	525,354
1907	295,684	1921	460,842
1908	322,928	1922	460,431
1909	294,902	1923	465,285
1910	375,518	1924	479,698
1911	413,735	1925	469,870
1912	436,687		

The years 1899 to 1913, inclusive, are for 12 months ending June 30; the following years are for 12 months ending Dec. 31.

Postal Savings Bank

Year	Depositors in the postal savings bank		Total amount due depositors at close of year	
	Number	Increase	Amount	Increase
		Per cent		Per cent
1907 *	2,331		\$254,732	
1908	5,389	131	515,998	102
1909	8,782	63	724,479	40
1910	13,102	49	839,623	16
1911	28,804	120	1,049,737	25
1912	35,802	24	1,194,493	14
1913	39,909	11	1,240,241	4
1913, July to December	42,271	12	1,411,066	28
1914	48,876	16	1,584,008	12
1915	54,434	11	1,601,795	1
1916	60,759	12	1,856,201	16
1917	68,860	13	2,121,090	14
1918	78,124	13	2,464,076	16
1919	90,555	16	3,042,430	23
1920	107,229	18	3,327,217	9
1921	130,810	22	3,054,226	-8
1922	155,915	20	2,857,571	-6
1923	162,566	4	2,826,359	-1
1924	167,625	3	2,815,279	-4
1925	176,056	5	2,941,322	+45

* First year of operation.

The years 1907 to 1913, inclusive, are for 12 months ending June 30; the following years are for 12 months ending Dec. 31.

¹ The figures for coal importations are exclusive of the quantities imported from the United States by the Federal Government. These are excluded because they have been for the most part made in large quantities in alternate years, and would therefore, while considerably increasing the average total amounts imported, give a false idea of the rate of increase of the more strictly domestic consumption.

Post-office and telegraph statistics

Year	Money orders sold		Postage receipts	Telegraph receipts	
	Amount	Increase (+) or decrease (—)		Amount	Increase (+) or decrease (—)
		Per cent			Per cent
1900.....	\$1, 526, 310		\$117, 848		
1901.....	2, 244, 874	+47	122, 833		
1902.....	3, 178, 509	+41	126, 375		
1903.....	2, 842, 587	—11	132, 445		
1904.....	3, 102, 606	+9	121, 714		
1905.....	3, 444, 053	+11	121, 648		
1906.....	3, 687, 127	+7	141, 224	¹ \$82, 996	
1907.....	3, 299, 446	—12	198, 530	118, 360	+42
1908.....	3, 645, 123	+13	220, 306	136, 138	+15
1909.....	4, 008, 678	+10	245, 432	139, 208	+2
1910.....	4, 890, 835	+22	282, 317	168, 402	+21
1911.....	6, 132, 583	+25	313, 549	184, 555	+9
1912.....	7, 425, 173	+21	349, 407	237, 100	+28
1913.....	8, 271, 602	+11	380, 943	283, 305	+19
1914.....	9, 342, 361	+9	381, 966	341, 251	+20
1915.....	9, 500, 510	+2	449, 847	308, 394	—10
1916.....	10, 122, 219	+7	489, 900	354, 398	+15
1917.....	12, 621, 012	+25	502, 981	419, 418	+18
1918.....	15, 734, 533	+25	579, 147	583, 800	+39
1919.....	18, 073, 430	+15	635, 134	660, 636	+13
1920.....	17, 067, 622	—9	781, 049	743, 980	+13
1921.....	16, 820, 064	—2	748, 576	670, 462	—10
1922.....	15, 623, 551	—7	769, 959	610, 653	—9
1923.....	18, 649, 379	+19	886, 301	634, 744	+4
1924.....	21, 164, 023	+13½	885, 410	671, 341	+6
1925.....	23, 569, 630	±11	1, 059, 693	711, 758	+6

¹ First year for which statistics are available.

The years 1900 to 1913, inclusive, are for 12 months ending June 30; the following years are for 12 months ending December 31.

Public-works statistics

TOTAL MILEAGE OF ROADS IN EXISTENCE

Year	First-class roads	Increase	Second-class roads	Third-class roads	Year	First-class roads	Increase	Second-class roads	Third-class roads
		Per cent					Per cent		
1907.....	¹ 303				1917.....	2,323			
1908.....	423	40			1918.....	2,542	9	1,278	2,109
1909.....	609	44			1919.....	2,796	10	1,253	1,944
1910.....	764	25	¹ 641	¹ 2,074	1920.....	2,920	4	1,234	1,932
1911.....	987	29	664	1,837	1921.....	2,998	3	1,266	1,914
1912.....	1,143	16	² 1,342	1,999	1922.....	3,089	3	1,268	1,883
1913.....	1,303	14	1,264	1,938	1923.....	3,187	3	1,312	1,824
1914.....	1,593	22	1,258	1,787	1924.....	3,407	7	1,361	1,753
1915.....	1,906	20	1,294	1,896	1925.....	3,520	3	1,316	1,676
1916.....	2,137	12	1,271	2,138				1,466	1,640

¹ No accurate statistics before 1907 and 1910, respectively.

² Increase due to change in definition.

The years preceding 1914 are for 12 months ending June 30, 1914; and following years are for 12 months ending December 31.

NOTE.—First-class roads in this table include not only first-class roads officially designated but also first-class roads not officially designated as such.

Public-works statistics—Continued

TOTAL OF PERMANENT BRIDGES AND CULVERTS IN EXISTENCE

Year	Number	Increase	Year	Number	Increase
		<i>Per cent</i>			<i>Per cent</i>
1907.....	3,280		1917.....	7,370	+3
1908.....	3,631	+11	1918.....	7,426	+1
1909.....	3,865	+6	1919.....	7,491	+1
1910.....	4,372	+13	1920.....	7,521	+4
1911.....	4,842	+11	1921.....	7,481	-5
1912.....	5,177	+7	1922.....	7,562	+1
1913.....	5,654	+9	1923.....	7,596	+0
1914.....	6,206	+10	1924.....	7,613	+4
1915.....	6,640	+7	1925.....	7,779	+2
1916.....	7,156	+8			

³ No accurate statistics before 1907.

The years preceding 1914 are for 12 months ending June 30; 1914 and following years are for 12 months ending Dec. 31.

TOTAL OF ARTESIAN WELLS IN EXISTENCE

Year	Number	Increase	Year	Number	Increase
		<i>Per cent</i>			<i>Per cent</i>
1904 ⁴	1		1915.....	434	47
1905.....	2	100	1916.....	556	28
1906.....	10	500	1917.....	664	18
1907.....	20	66 $\frac{2}{3}$	1918.....	829	25
1908.....	28	40	1919.....	992	16
1909.....	42	50	1920.....	1,140	15
1910.....	58	38	1921.....	1,265	11
1911.....	85	46	1922.....	1,365	8
1912.....	147	73	1923.....	1,436	5
1913.....	239	62	1924.....	1,540	7
1914.....	294	23	1925.....	1,751	14

⁴ First year of artesian-well work.

The artesian wells referred to in the preceding table are "deep wells," averaging about 111.06 meters in depth.

The years preceding 1914 are for 12 months ending June 30, 1914, and following years are for 12 months ending Dec. 31.

LIGHTHOUSES IN OPERATION

[According to report of Philippine Commission]

1902.....	48	1914.....	151
1903.....	61	1915.....	160
1904.....	76	1916.....	171
1905.....	89	1917.....	179
1906.....	105	1918.....	180
1907.....	117	1919.....	182
1908.....	129	1920.....	182
1909.....	139	1921.....	185
1910.....	143	1922.....	185
1911.....	142	1923.....	190
1912.....	145	1924.....	191
1913.....	146	1925.....	194

The years preceding 1914 are for 12 months ending June 30; 1914 and following years are for 12 months ending Dec. 31.

NUMBER OF MILES OF COAST SURVEYED

	Miles		Miles
1901-----	89	1915-----	775
1902-----	487	1916-----	507
1903-----	632	1917-----	404
1904-----	713	1918-----	198
1905-----	494	1919-----	97
1906-----	626	1920-----	153
1907-----	1,495	1921-----	442
1908-----	1,573	1922-----	422
1909-----	1,017	1923-----	337
1910-----	1,637	1924-----	280
1911-----	1,229	1925-----	499
1912-----	1,316		
1913-----	945	Total-----	17,867
1914-----	1,500		

The years 1901 to 1913, inclusive, are for 12 months ending June 30; the following years are for 12 months ending Dec. 31.

Education statistics

School year	Average monthly enrollment in public schools ¹	Number of public schools	Number of permanent schoolhouses		School year	Average monthly enrollment in public schools ¹	Number of public schools	Number of permanent schoolhouses	
			Erected or reconstructed	In use				Erected or reconstructed	In use
1903-----	² 140,000	² 2,000	-----	-----	1915-----	493,763	4,187	-----	723
1904-----	² 200,000	2,285	-----	-----	1916-----	523,272	4,538	34	757
1905-----	² 300,000	2,864	-----	-----	1917-----	567,625	4,702	83	840
1906-----	² 340,000	3,263	-----	³ 150-180	1918-----	569,475	4,747	25	865
1907-----	346,245	3,687	30	180	1919-----	569,744	4,963	54	919
1908-----	339,243	3,932	30	210	1920-----	678,956	5,944	127	1,046
1909-----	405,478	4,424	50	260	1921-----	836,281	6,904	119	1,165
1910-----	427,165	4,531	30	290	1922-----	975,093	7,670	136	1,301
1911-----	446,889	4,404	100	390	1923-----	1,000,437	7,668	107	1,408
1912-----	395,075	3,685	135	430	1924-----	1,029,164	7,746	(⁵)	(⁵)
1913-----	329,756	2,934	194	624	1925-----	1,073,297	7,438	(⁵)	(⁵)
1914-----	489,070	4,235	124	748					

¹ Enrollment statistics are for the school year June 10 to Mar. 31.

² Estimated.

³ Spanish building still in use.

⁴ Including those constructed prior to 1907.

⁵ Not available.

Banking

Year	Total resources of commercial banks	Increase (+) or decrease (-)	Year	Total resources of commercial banks	Increase (+) or decrease (-)
1906-----	\$15,351,690	<i>Per cent</i>	1916-----	\$60,977,077	<i>Per cent</i>
1907-----	17,054,358	+11	1917-----	119,623,863	+96
1908-----	17,454,214	+2	1918-----	199,903,971	+67
1909-----	18,133,425	+4	1919-----	177,253,860	-11
1910-----	22,856,455	+26	1920-----	215,902,538	+22
1911-----	24,557,697	+7	1921-----	190,251,325	-12
1912-----	35,885,728	+46	1922-----	163,101,731	-----
1913-----	31,872,964	-11	1923-----	169,028,995	+4
1914-----	33,319,933	+5	1924-----	140,264,678	¹ -17
1915-----	35,771,434	+7	1925-----	143,795,326	+2

¹ Decrease caused by closing of Manila branch of Asia Banking Corporation and writing off losses of Philippine National Bank in connection with rehabilitation act.

The years 1906 to 1913, inclusive, are for 12 months ending June 30; the following years are for 12 months ending Dec. 31.

Manila Railroad Co.

Calendar year	Mileage in operation	Revenues	Increase (+) or decrease (-)	Calendar year	Mileage in operation	Revenues	Increase (+) or decrease (-)
			<i>Per cent</i>				<i>Per cent</i>
1907	122	\$825,823		1917	621	\$3,578,075	+43
1908	208	961,936	+16	1918	621	4,689,756	+31
1909	213	1,023,812	+6	1919	621	5,401,164	+15
1910	336	1,334,555	+30	1920	621	5,983,200	+11
1911	353	1,768,193	+33	1921	653	6,137,149	+3
1912	443	2,171,804	+23	1922	649	6,105,398	-1
1913	477	2,601,979	+20	1923	649	5,752,763	-6
1914	501	2,496,367	-5	1924	649	5,700,263	-1
1915	550	2,240,172	-10	1925	659	6,316,830	+11
1916	621	2,505,367	+12				

All data pertain to calendar years ended Dec. 31.

Philippine Railway Co.

Calendar year	Mileage in operation	Revenues	Increase (+) or decrease (-)	Calendar year	Mileage in operation	Revenues	Increase (+) or decrease (-)
			<i>Per cent</i>				<i>Per cent</i>
1909	43	\$56,491		1917	131	474,269	+25
1910	59	135,399	+140 $\frac{1}{16}$	1918	131	508,029	+7
1911	131	326,972	+141 $\frac{1}{16}$	1919	131	606,006	+19
1912	131	376,511	+15 $\frac{1}{16}$	1920	131	750,297	+24
1913	131	320,587	-15 $\frac{1}{16}$	1921	131	687,010	-8
1914	131	361,219	+12 $\frac{1}{16}$	1922	133	643,232	-6
1915	131	362,407	+ $\frac{1}{16}$	1923	133	618,672	-4
1916	131	378,306	+4 $\frac{1}{16}$	1924	133	722,536	+17

¹ Covers a period of 6 months.

All data pertain to calendar years ended Dec. 31.

Street railroad and lighting in Manila

[United States currency]

Calendar year	Passengers carried by street railway		Gross earnings of street railway		Gross earnings from electric lighting and power (a)	
	Number	Increase or decrease	Amount	Increase or decrease	Amount	Increase or decrease
		<i>Per cent</i>		<i>Per cent</i>		<i>Per cent</i>
1906	10,527,902		\$529,354.130		\$381,119.995	
1907	112,137,907	15.29	553,910.500	4.64	424,953.315	23.00
1908	13,848,025	14.10	624,858.860	13.38	502,482.390	18.24
1909	13,409,693	-2.44	578,272.885	-7.46	562,728.055	11.99
1910	17,047,411	27.13	689,383.565	19.21	625,520.630	11.16
1911	18,611,875	9.18	741,872.015	7.61	704,237.110	12.58
1912	20,590,055	10.63	800,904.945	5.61	792,765.865	10.82
1913	20,937,923	1.69	851,598.835	6.33	188,087.185	3.10
1914	19,426,453	7.21	774,682.575	9.03	802,155.195	-1.26
1915	16,843,504	-13.30	666,289.815	-13.99	824,160.915	2.74
1916	17,843,551	5.94	697,740.225	4.72	880,984.820	6.89
1917	20,311,516	13.83	804,303.290	14.23	970,885.690	10.20
1918	24,571,206	20.97	997,848.295	24.06	1,297,521.840	33.64
1919	25,749,244	4.89	1,088,740.690	9.11	1,508,287.490	16.24
1920	37,805,699	46.82	1,609,576.220	47.83	1,812,992.705	20.64
1921	37,663,681	-1.96	1,601,868.760	-6.47	2,124,617.170	17.19
1922	36,384,074	-1.83	1,494,247.540	-6.72	2,084,657.520	1.98
1923	33,543,879	-7.81	1,413,169.000	-5.43	2,156,901.000	3.42
1924	34,064,012	1.55	1,426,285.000	.93	2,298,920.000	6.59
1925	35,100,508	3.06	1,448,875.660	1.5	2,406,388.140	4.7

¹ Passengers carried approximate only; exact figures not available.

Gross earnings, railway and electric, include revenue from all sources of each department.

Mortality and natality

Calendar years	Manila			Provinces ¹			Mindanao and Sulu ²		
	Death rate	Birth rate	Infant mortality rate	Death rate	Birth rate	Infant mortality rate	Death rate	Birth rate	Infant mortality rate
1918.....	43.92	32.26	397.56	38.78	37.57	255.40	31.92	22.95	343.79
1919.....	27.36	35.11	224.95	35.09	33.02	234.55	24.10	22.60	263.65
1920.....	26.47	43.54	213.02	20.64	37.04	158.22	20.05	27.33	200.80
1921.....	26.42	42.81	205.53	20.90	37.08	167.81	15.60	24.46	137.93
1922.....	24.09	43.68	194.24	19.99	36.39	162.65	16.50	28.64	130.83
1923.....	26.01	48.04	192.08	16.85	28.70	164.28	(³)	(³)	148.41
1924.....	26.01	48.04	195.65	20.16	33.63	160.64	(³)	(³)	-----
1925.....	23.87	48.20	167.02	20.40	35.39	170.98	(³)	(³)	-----

¹ Data for 1922 are incomplete.² Incomplete. Totals and rates were taken from available data estimated on corresponding population.³ Included in Provinces.*Public health statistics*

Calendar year	In Manila				In the Provinces				In Mindanao and Sulu			
	Smallpox		Cholera		Smallpox		Cholera		Smallpox		Cholera	
	Cases	Deaths	Cases	Deaths	Cases	Deaths	Cases	Deaths	Cases	Deaths	Cases	Deaths
1903.....	109	23	910	818	-----	-----	39,555	27,927	-----	-----	-----	-----
1904.....	70	29	7	8	-----	-----	120	76	-----	-----	-----	-----
1905.....	27	2	255	226	-----	-----	1,637	1,193	-----	-----	-----	-----
1906.....	28	5	848	744	-----	-----	10,423	7,758	-----	-----	-----	-----
1907.....	93	1	223	194	-----	-----	744	553	-----	-----	-----	-----
1908.....	305	122	1,186	819	-----	-----	28,503	17,992	-----	-----	-----	-----
1909.....	146	25	284	227	-----	-----	10,478	7,079	-----	-----	-----	-----
1910.....	4	0	310	224	-----	-----	9,210	6,716	-----	-----	-----	-----
1911.....	0	0	1	1	-----	-----	248	202	-----	-----	-----	-----
1912.....	0	0	0	0	-----	-----	0	0	-----	-----	-----	-----
1913.....	0	0	161	110	-----	-----	179	118	-----	-----	-----	-----
1914.....	0	0	490	272	-----	-----	3,013	2,165	-----	-----	-----	-----
1915.....	0	0	66	44	-----	-----	1,488	776	-----	-----	-----	-----
1916.....	1	1	1,214	513	-----	-----	11,633	7,473	-----	-----	-----	-----
1917.....	3	2	25	8	-----	-----	13,082	7,959	-----	-----	-----	-----
1918.....	1,326	869	182	123	-----	14,655	7,231	4,943	-----	503	-----	1,454
1919.....	57	39	861	399	-----	48,146	24,056	17,099	-----	1,770	-----	175
1920.....	5	4	22	3	-----	4,295	1,096	756	-----	2,332	-----	2
1921.....	0	0	59	21	-----	316	33	18	-----	412	-----	0
1922.....	0	0	76	24	-----	112	-----	-----	-----	20	-----	0
1923.....	0	0	0	0	69	5	19	11	(³)	(³)	(³)	(³)
1924.....	5	4	1	1	7	2	39	28	(³)	(³)	(³)	(³)
1925.....	1	1	240	69	-----	-----	-----	-----	(³)	(³)	(³)	(³)

¹ Incomplete, but includes complete reports from 35 Provinces.² Agusan, Cotabato, Davao, Lanao, Zamboanga.³ Included in Provinces.

APPENDIX E

LIST OF BILLS SIGNED BY THE GOVERNOR-GENERAL DURING THE FIRST SESSION OF THE SEVENTH PHILIPPINE LEGISLATURE

Act	House bill	Senate bill	Title of bill	Date approved
3221	18	-----	Deficiency bill for the Senate and House of Representatives.....	Aug. 14, 1925
3222	-----	81	Granting authority to the Province of Iloilo and certain municipalities to issue bonds for public improvements.....	Sept. 16, 1925
3223	-----	43	Amending Act 3217 (re locust funds).....	Oct. 19, 1925
3224	-----	87	Amending sec. 765 of the Administrative Code as amended by Act 3111 (board of medical examiners).....	Oct. 23, 1925
3225	-----	65	Extending the time during which lower group timber may be taken without license.....	Nov. 2, 1925
3226	-----	92	Amending secs. 2255 and 2256 of the Administrative Code (re support of students attending special schools).....	Do.
3227	484	-----	Appropriation bill for 1926.....	Nov. 6, 1925
3228	422	-----	Authorizing Province of Pangasinan to issue bonds.....	Nov. 12, 1925
3229	-----	169	Authorizing Province of Occidental Negros to issue bonds.....	Nov. 14, 1925
3230	-----	97	Authorizing the purchase of rubber seeds.....	Do.
3231	-----	193	Appropriating P15,000 for developing home canning industry.....	Nov. 27, 1925
3232	733	-----	Establishing an agricultural school in Tayabas.....	Do.
3233	-----	203	Amending Osmeña retirement act.....	Do.
3234	-----	168	Appropriating P15,000 for Bonifasio Memorial School.....	Do.
3235	-----	192	Establishing rules for the promotion of officers in the Philippine Health Service.....	Do.
3236	-----	187	Appropriating P50,000 for rinderpest campaign.....	Do.
3237	274	-----	Providing for the holding of national tuberculosis congress.....	Do.
3238	490	-----	Providing that the proceeds of the cedula tax collected in the barrio of Olongapo shall accrue exclusively to school fund.....	Do.
3239	450	-----	Accepting the offer of Pedro Cui and Benigna Cui to establish a home for invalids in Cebu.....	Do.
3240	363	-----	Authorizing partial application of Act 2259 providing for survey by private surveyors where regular cadastral survey has not yet been begun of 100 or more contiguous parcels of land.....	Do.
3241	13	-----	Appropriating P10,000 for the purchase of the original of Rizal's "El Filibusterismo".....	Do.
3242	14	-----	Inserting a new section in Act No. 1757 penalizing the possession of any number, memorandum, or device pertaining to Jueting.....	Do.
3243	227	-----	Establishing a percentage on the business of merchants, manufacturers, and commission merchants.....	Do.
3244	137	-----	Amending Acts 518 and 534 of the Penal Code (re imposing severe penalties on certain cases).....	Nov. 28, 1925
3245	432	-----	Fixing the equivalent of the picul as a unit of measure.....	Do.
3246	-----	166	Amending sec. 1498 of Act No. 2535 (re increasing tax on playing cards).....	Dec. 1, 1925
3247	-----	201	Prohibiting monopolies and combination in restraint of trade.....	Do.
3248	-----	39	Amending sec. 1495 of the Administrative Code (re specific tax on manufactured oils).....	Do.
3249	737	-----	Authorizing the sale of the land occupied by the San Lazaro Hospital.....	Do.
3250	75	-----	Amending subsec. (a) of sec. 785 of Act 190 (re collection of fees).....	Do.
3251	-----	131	Prohibiting the exportation of abaca seeds.....	Do.
3252	-----	195	Amending sec. 186 of the Administrative Code (officers in function of sheriff ex officio).....	Do.
3253	-----	202	Changing the name of the municipality of Albay, Albay, to Legaspi.....	Dec. 3, 1925
3254	539	-----	Applying the unexpended balances of the appropriation for 1925 for certain expenses.....	Do.
3255	596	-----	Providing for the issue of bonds of the Philippine Islands in the sum of \$3,000,000 (metropolitan water district).....	Do.
3256	616	-----	Amending sec. 1, subsec. (x), item 5, of Act 3213 (re Capiz port work and wharf).....	Do.
3257	642	-----	Amending sec. 1916 of the Administrative Code (district engineer in capacity of sanitary waterwork engineer).....	Do.
3258	610	-----	Public works appropriations.....	Dec. 9, 1925
3259	724	-----	Amending subsec. (c) of sec. 2243 of the Administrative Code (re establishing fire limits in populous centers).....	Dec. 5, 1925
3260	755	-----	Additional appropriations for the year 1926.....	Dec. 7, 1925
3261	32	-----	Re classification of municipalities.....	Do.
3262	-----	58	Granting charter to the Philippine Amateur Athletic Federation.....	Do.
3263	-----	167	Fiber act (amending certain provisions of the Administrative Code to that effect).....	Do.
3264	-----	181	Amending certain sections of Act No. 3105 (re board of accountancy).....	Do.
3265	600	-----	Authorizing the Province of Laguna to issue bonds.....	Do.
3266	630	-----	Authorizing the Province of Ilocos Norte to issue bonds.....	Do.
3267	551	-----	Amending sec. 154 of the Administrative Code (re judicial districts).....	Dec. 8, 1925
3268	552	-----	Authorizing the Province of Marinduque to issue bonds.....	Dec. 9, 1925

REPORT OF THE DEPARTMENT OF COMMERCE AND COMMUNICATIONS

APRIL 23, 1926.

SIR: I have the honor to submit hereunder the report of the department of commerce and communications for the calendar year 1925.

In accordance with the scheme of administration under existing law, this report covers many activities of different character as herein set forth.

COMMERCE

Foreign trade.—The commercial relation of the Philippines with the United States and foreign countries during the year 1925 has further advanced toward a state well approaching the boom years after the World War. The total trade reached the sum of ₱537,220,077, of which imports constituted ₱239,465,667 and exports ₱297,754,410. It thus registered an increase of 10 per cent over the previous year. On the basis of 1913 values (wholesale price indexes), however, the total trade for 1925 would amount to about one and one-half times that of 1920 and about 6 per cent higher than in 1924.

As in the preceding years, the trade balance was favorable to the Philippines in the amount of ₱58,000,000, as against ₱54,000,000 during the preceding year. This is almost wholly due to the highly favorable trade with the United States, as, comparatively speaking, there were more countries which recorded trade balances unfavorable to this country. Among the countries registering greater importation than exportation were Japan, China, French East Indies, Germany, Australia, the Dutch East Indies, etc. Their aggregate unfavorable balance, however, was not sufficient to outweigh the favorable trade with the United States, which netted the Philippines about ₱80,000,000.

The growth of the foreign trade of the country during the last 10 years, and the 10 leading imports and exports are shown in the following tables:

Oversea trade of the Philippines from 1915 to 1925

Year	Imports	Exports	Total imports and exports	Trade balance in favor of (+) or against (-) Philippine Islands
1915.....	₱98,624,367	₱107,626,008	₱206,250,375	+₱9,001,641
1916.....	90,992,675	139,874,365	230,867,040	+48,881,690
1917.....	131,594,061	191,208,613	322,802,674	+59,614,552
1918.....	197,198,423	270,388,964	467,587,387	+73,190,541
1919.....	237,278,104	226,235,652	463,513,756	-11,042,452
1920.....	298,876,565	302,247,711	601,124,276	+3,371,146
1921.....	231,677,148	176,230,645	407,907,793	-55,446,503
1922.....	160,395,289	191,166,596	351,561,885	+30,771,307
1923.....	174,999,494	241,505,980	416,505,474	+66,506,486
1924.....	216,021,790	270,689,325	486,711,115	+54,667,535
1925.....	239,465,667	297,754,410	537,220,077	+58,288,743

Comparative statement of the values of principal Philippine imports

Principal imports	1925	1924
	Pesos	Pesos
Cotton, and manufactures of.....	55,196,619	49,379,481
Iron and steel.....	27,919,939	24,094,119
Breadstuffs.....	25,767,834	27,898,542
Oils.....	24,148,379	18,383,338
Meat and dairy products.....	10,988,943	9,862,502
Automobiles, and parts of.....	6,794,083	4,529,432
Paper, and manufactures of.....	6,813,821	6,304,187
Silk, and manufactures of.....	5,615,807	4,371,446
Fibers, vegetable, and manufactures of.....	5,129,747	2,794,770
Fish and fish products.....	4,985,245	4,221,506

Comparative statement of the principal Philippine exports

Principal exports	Unit	1925		1924	
		Quantity	Value	Quantity	Value
Sugar.....	Kilo.....	546,832,094	P91,028,005	357,830,318	P83,736,173
Hemp.....	do.....	151,024,143	71,043,292	177,311,618	59,900,916
Oils.....	do.....	104,152,632	39,728,118	111,640,227	37,698,732
Copra.....	do.....	146,708,639	31,737,405	156,761,823	30,703,764
Tobacco.....	do.....		18,904,889		19,725,718
Embroideries.....	do.....		9,122,961		9,377,943
Magney.....	Kilo.....	24,287,608	6,381,792	28,159,905	5,845,278
Desiccated and shredded coconut.....	do.....	12,523,211	5,217,746	8,133,951	3,197,119
Hats.....	Number.....	988,452	4,741,898	734,312	2,452,960
Wood and manufactures of.....	do.....		4,626,937		4,594,819

Domestic trade.—The domestic commerce followed the general trend of the industrial and agricultural situation and of the foreign trade, which made notable advances during the year. The principal Philippine staples enjoyed steady and fairly active markets, and consumption was greatly accelerated by the greater degree of prosperity. Wholesale prices fluctuated through a narrower margin, though some indicated a tendency to decline toward the end of the year. Distribution reached higher levels, railroad tonnage increased 30 per cent, and interisland shipments registered an increase of 7 per cent over the preceding year. Retail prices moved up only a little over 2 per cent, thus indicating a more stabilized cost of living.

INDUSTRY

Development along industrial lines was continued during the year (1925), the greatest relative advances, as measured by the value of the year's exports of manufactured and semimanufactured articles, having been made in hats, centrifugal sugar, coconut oil, cigars and cigarettes, and desiccated coconut. Although no exact data on the actual output of the different factories and other industrial establishments in the country is available, the data on exportations and the general conditions of the industries as observed during the year give sufficient indications of the amount of progress that has been made.

The total value of fully manufactured articles exported from the islands in 1925 reached P72,647,486, while that of semimanufactured articles amounted to P96,940,100, giving a total for the year of P169,587,586. This total value of manufactured and semimanufactured articles exported in 1925 showed an increase of 8,400 per cent over the corresponding figure for 1900, 1,200 per cent over 1913, and 10 per cent over 1924. In 1900 these exports were valued only at P2,000,000; in 1913, P12,713,370; and in 1924, P153,542,672.

The increased operations of the sugar mills in the islands during 1925 is reflected in the rise in value of the islands' exports of centrifugal sugar during the year, which reached P81,672,835, as compared with P73,570,621 for 1924, and P59,263,152 for 1923. Among the other industries, hat manufacture had a very prosperous year, due principally to the great increase in the demand for Philippine hats among foreign buyers. The value of Philippine hats exported in 1925 was almost double that of 1924, the figures for the last five years being as follows:

	Value of hats exported		Value of hats exported
1921.....	P608,724	1924.....	P2,452,960
1922.....	950,788	1925.....	4,741,898
1923.....	1,258,464		

This steady and remarkable progress of this industry is bound to continue, provided that the high quality of our hat exports is maintained by local exporters and manufacturers.

The tobacco factories in the islands likewise increased their sales in foreign markets during the year 1925, as compared with the previous year. The total value of cigars and cigarettes exported in 1925 was P12,249,791, as against P11,246,258 for 1924. The coconut oil mills in the islands also showed greater activity during the year. Coconut oil valued at P39,640,377 was exported in

1925, the highest figure registered during the last five years. The values of Philippine exports of coconut oil since 1921, were as follows:

1921-----	₱32, 103, 036	1924-----	₱37, 622, 061
1922-----	31, 468, 971	1925-----	39, 640, 377
1923-----	28, 133, 164		

The embroidery manufacturers remained fairly active during the year, many of them operating at maximum capacity toward the end. The figures on embroidery exports, however, did not register any increase, the value of these exports for 1925 being less than those of the two years previous. In 1923 the islands exported ₱12,846,529 worth of embroidery; in 1924, ₱9,377,943; and in 1925, ₱9,122,961. In view of the lower price levels for this article which prevailed in 1925 as compared with the previous years, however, it would appear that the above figures do not necessarily reflect a proportionate decrease in the amount of embroidery produced here during the year.

The local rope factories continued their steady advance in 1925, as may be shown by the following data on the value of cordage exports of the islands during the last five years:

1921-----	₱918, 544	1924-----	₱2, 188, 624
1922-----	1, 099, 375	1925-----	3, 353, 016
1923-----	1, 497, 769		

New industries.—Among the new industries that have recently been established in the islands are those for the manufacture of desiccated coconut, cement, soaps and perfumes, canned pineapples, etc. Of these the desiccated coconut industry has made the greatest advance. Desiccated and shredded coconut first appeared in the list of Philippine exports in 1922 with a total value of ₱419,348, increasing in 1923 to ₱1,806,247, in 1924 to ₱3,197,119, and in 1925 to ₱5,217,746. Investigations made by the bureau of commerce and industry into the possibilities of other new industries revealed the wide field of development for diverse industrial and agricultural enterprises in the islands.

Pineapple growing and canning offers great possibilities. With local soil, climate, and other conditions well suited to this industry; with Philippine-grown pineapples possessing certain qualities superior to the Hawaiian product, as demonstrated by actual experience; with world demand for pineapples still increasing; and with present production barely meeting half of the world's needs, it is clear that the pineapple industry here has excellent prospects of development.

Philippine conditions have been found to be as eminently suited to bee culture as some of the principal regions engaged in this industry, such as Florida or Hawaii. Native flowers which are a source of honey are abundant, making it unnecessary to import plant varieties for this purpose. With a small capital of ₱50 or ₱80, the industry can be started in any family back yard and thereby secure for the family a respectable income. At present bee honey and wax are gathered only haphazardly, but the Philippines are already exporting beeswax to some extent. With systematic and scientific attention given to the industry, it will, in time, become a lucrative field for investment in this country. Philippine honey and beeswax are admitted free of duty into the United States.

The Philippine Islands possesses vast land areas well suited to rubber growing; in fact, there are actually at least 10 rubber plantations producing rubber on a commercial scale in several places in the islands, principally in Mindanao, where soil, climate, and other conditions favorable to rubber culture have been found to exist.

The fact that kapok trees are found growing wild in practically every part of the islands is ample proof of the adaptability of local conditions to kapok culture. However, the best regions for kapok growing have been found to exist in the Visayas, and in Mindanao, which, it is said, could supply all the kapok needed by the United States, the principal user of kapok in the world. Kapok produced in the Philippines is not intrinsically different from or inferior to that raised in Java, which is not considered the best in the world's market.

The egg industry, a "poor man's industry," can well be carried on in a truly commercial scale in the Philippines, and thus reduce the enormous yearly importations of eggs from China and other countries. Each family can easily undertake to produce enough eggs for home use, and some more for the market.

Local conditions favor the industry here; the general lack of interest and of regular marketing channels at present retard the growth of the industry.

The dairying and meat industry is as yet little developed here, due, in part, to the lack of local supply of livestock. Local conditions, however, warrant the extensive development of the industry. Enough cattle for this industry could be raised here. Luxuriant grazing lands are found in Abra, Nueva Ecija, Tayabas, Masbate, Panay, Bukidnon, and several other regions. Animal diseases, such as rinderpest, anthrax, and others constitute the principal menace to the livestock industry, but their effects can be minimized. The government has been waging an incessant campaign against these diseases. Cattle varieties with as good meat and milk-producing qualities as those found in other lands could be raised here.

At present very little commercial fruit canning is done in the Philippines, due mainly to the general lack of knowledge of the methods of fruit canning and preservation. However, the industry holds good prospects, as demonstrated by the successful operations of the few companies now engaged in this industry here. Most of the fruits raised in the Philippines can be preserved; in fact, no less than 200 varieties of native fruits have been found to possess good keeping qualities. The bureau of science and other agencies are conducting campaigns to disseminate the knowledge of canning and preservation. The Philippine Legislature has recently appropriated ₱15,000 to encourage and develop home canning and food preservation and eventually reduce to a minimum the importations of canned and preserved products.

Natural advantages existing in this country, such as abundant raw material and suitable locations for mills, point to the possibility of the Philippines becoming at least self-supporting in its paper needs. Only one plant has so far been established for pulp production, but others ought soon to follow. Considering the enormous yearly importations of paper and its manufactures here, the industry should become a lucrative business.

The local rattan industry is still neglected, from a commercial point of view. The rattan now collected from forests is only for home or local consumption, the big demand in foreign markets being almost entirely ignored. And yet the virgin forests of the country where rattan is found in abundance cover an area of about 40,000 square miles. Rattan in these forests is practically untouched, as the present supply is obtained from forest areas located near thickly populated regions. It is estimated that 1 hectare of forest stand would yield 5,000 lineal meters of commercial-grade rattan equal in quality to that produced elsewhere. With such a big source of supply open for exploitation at any time, the Philippines can export great quantities of rattan, especially to the United States, where certain tariff advantages are conferred upon the Philippine product.

COMMUNICATIONS

There has been a steady advance in the means of communication available in the Philippines. In the year 1925 we have added a total of 347.6 kilometers to our road system, not including 7.1 kilometers of trails, so that at the close of the year there was in existence a total of 5,664.3 kilometers of first-class roads, 2,359.9 kilometers of second-class roads, and 2,639.3 kilometers of third-class roads, or a total of 10,633.5 kilometers of roads, with 7,779 durable bridges and culverts and 4,815.3 kilometers of trails.

During the same period 1,186.2 kilometers of new telegraph lines were strung, making a total of 11,802.13 kilometers of land lines and 1,085.49 kilometers of cable lines in operation, not mentioning the United States and foreign cable and radio service in the Philippines.

There are 28 radio stations operated by the Philippine Government, and there will soon be 10 other stations to be constructed, money having been already set aside for those projects. Besides the establishment of new telegraph stations in 11 municipalities, the combined telegraph and telephone service was extended to 63 other municipalities and barrios.

There were recorded 104 private amateur radio stations equipped with both transmitters and receivers. It is not known if others that have not registered were in operation. It is estimated that there are about 500 receiving stations in the Philippines at this time. There were 2 broadcasting stations, 1 general public service coastal station, 1 experimental station, and 1 training-school station. There were 13 commercial ships and 7 government ships equipped with radio apparatuses and operators.

The number of motor vehicles registered in the year reached 19,589, an increase of nearly 4,000 over that of last year.

Other means of communication were not registered in this department, but figures thereon have been obtained from the proper offices. Available figures show that there is at least a total of 1,272.72 kilometers of railway lines, with 167 locomotive engines and 2,376 passenger and freight cars. The number and registered net tonnage of vessels engaged in foreign trade for the last two years follow.

Year	Entered		Cleared	
	Number	Net tonnage	Number	Net tonnage
1924.....	1,044	3,720,887	1,020	3,616,171
1925.....	1,015	3,788,695	984	3,711,267

The number and registered tonnage of vessels engaged in domestic shipping for the same period are:

Year	Entered		Cleared	
	Number	Net tonnage	Number	Net tonnage
1924.....	18,711	2,094,788	18,970	2,105,226
1925.....	19,001	2,245,919	19,287	2,252,779

OTHER PUBLIC WORKS

Besides roads and bridges, 104 deep wells were successfully dug, 109 reinforced-concrete buildings of over 100 cubic meters capacity each were erected, and 3 insular irrigation and 10 waterworks systems were completed as the larger results in public works during the year.

PURCHASE AND SUPPLY

There is a constant effort to eliminate the use of costly materials and supplies in the Government.

All purchases are made strictly on competitive bidding unless a real advantage results from another action. Each and every bid is passed upon by a committee which makes a thorough comparison of the different samples submitted by the bidders before the award is made. No stocking of materials and supplies is permitted except in the case of cement, coal, stationery, and supplies for three or four months' consumption, and a few other items which are regularly used by the different branches of the Government, and in this way the tying up of considerable Government money is avoided.

LABOR

There is no disparity between wages and the cost of living to cause any great suffering among the laboring class. Daily wages run from 60 centavos, usually with subsistence, to ₱5, while the cost of living, including food, clothing, shelter, and sundry expenses, rarely exceeds ₱2.50 a day.

The relation between labor and capital as a whole is cordial. With the exception of the two strikes that for a time threatened the normal operation of the tobacco manufacturing industry in the city of Manila, no labor disturbances of sufficient magnitude to disrupt the industrial equilibrium have taken place.

Most of the strikes were conducted by labor unions, and the causes were mostly on account of wages or sympathetic—that is, on account of ill treatment or discharge of fellow laborers.

The tendency to unionism and collective bargaining continues. There is a total of 129 known labor organizations in the Philippines—63 in Manila

and 66 in the Provinces, not to mention 87 mutual benefit societies. Forty-three unions in Manila voluntarily reported a membership of 44,228, and 26 unions in the Provinces submitted a membership of 17,957. The others were not heard from. Although the labor unions reported approximately 33 per cent unemployed, the unemployment problem has not given any cause of great alarm. There has been noted a cityward movement of population, causing a temporary dislocation of labor supply and consequent unemployment, but new industrial enterprises such as those for ready-made clothing, buttons, and others already mentioned have given employment to many of these laborers.

COAST AND GEODETIC SURVEYS

The survey of field waters has progressed so rapidly that only small portions of the archipelago remain unsurveyed.

More details about different bureaus and other entities under the supervision of this office are given hereunder.

BUREAU OF PUBLIC WORKS

A. D. WILLIAMS, director

ORGANIZATION AND PERSONNEL

The organization of the bureau has not suffered any change during the year under review, except the closing of the central garage on August 31, 1925, and the increase in the number of engineering districts from 47 to 49, due to the division of two engineering districts into four on account of the hardships of intercommunication within these districts. All the districts are now coextensive with the provincial limits, Manila being considered a Province.

Mr. A. D. Williams, who had been ad interim director of public works since the resignation of Mr. José Paez, was made permanent by the confirmation of his appointment by the Senate of the Philippines on November 9, 1925.

The number of employees paid direct from bureau and project funds as of December 31, 1921, was 376, of whom 19 were Americans and 357 Filipinos, the same figures as at the end of the previous year. The number of technical employees at the close of the year was 190, of whom 16 were Americans and 174 Filipinos, as against 17 Americans and 141 Filipinos for the previous year.

ROADS AND BRIDGES

The lengths of the roads in existence in the various Provinces of the Philippines as of December 31, 1925, are as follows:

Provinces	First-class road	Second-class road	Third-class road	Total road	Trails
	<i>Kilo-meters</i>	<i>Kilo-meters</i>	<i>Kilo-meters</i>	<i>Kilo-meters</i>	<i>Kilo-meters</i>
Abra.....	58.2	19.9	14.6	92.7	112.5
Agusan.....	17.3	7.7	23.2	48.2	45.7
Albay.....	198.8	35.9	57.2	291.9	98.1
Antique.....	108.8	116.0	3.5	228.3	13.1
Baguio.....	46.9	15.8	.2	62.9	-----
Bataan.....	38.3	19.5	2.6	60.4	75.0
Batangas.....	199.8	23.9	149.2	372.9	47.6
Benguet.....	72.4	59.9	8.1	140.4	8.4
Bohol.....	238.5	93.7	30.6	361.8	8.0
Bukidnon.....	-----	102.6	16.6	119.2	93.8

Provinces	First-class road	Second-class road	Third-class road	Total road	Trails
	Kilo-meters	Kilo-meters	Kilo-meters	Kilo-meters	Kilo-meters
Bulacan.....	116.3	138.6	63.9	318.8	-----
Cagayan.....	72.8	85.1	52.3	210.2	119.9
Camarines Norte.....	32.3	8.1	5.6	46.0	8.7
Camarines Sur.....	155.0	24.2	57.4	236.6	30.1
Capiz.....	193.6	102.3	12.5	308.4	117.8
Cavite.....	82.4	32.3	9.7	124.4	107.8
Cebu.....	334.7	272.1	103.7	710.5	30.5
Cotabato.....	22.1	1.9	46.0	70.0	336.8
Davao.....	27.0	7.7	52.4	87.1	577.1
Ilocos Norte.....	79.8	117.6	1.5	198.9	48.1
Ilocos Sur.....	180.3	18.8	.8	199.9	-----
Iloilo.....	287.1	48.6	140.5	476.2	8.9
Isabela.....	82.1	43.1	99.2	224.4	-----
Laguna.....	159.8	19.6	51.9	231.3	28.9
Lanao.....	44.3	19.7	36.2	100.2	281.7
La Union.....	117.2	36.1	21.0	174.3	9.5
Leyte.....	140.0	75.2	79.9	295.1	56.3
Marinduque.....	51.5	25.0	.5	77.0	58.6
Masbato.....	34.6	9.9	11.2	55.7	-----
Mindoro.....	24.4	47.8	22.3	94.5	273.5
Misamis.....	113.7	110.7	71.2	295.6	131.3
Mount Province.....	-----	13.0	306.3	319.3	1,068.3
Nueva Ecija.....	189.5	43.1	228.8	461.4	-----
Nueva Vizcaya.....	42.7	26.5	61.7	130.9	146.7
Occidental Negros.....	348.9	56.6	63.1	468.6	68.8
Oriental Negros.....	161.1	18.0	72.2	251.3	173.5
Palawan.....	-----	8.8	45.3	54.1	72.5
Pampanga.....	201.1	60.0	96.8	357.9	-----
Pangasinan.....	472.9	39.4	165.5	677.8	-----
Rizal.....	184.1	22.6	21.3	228.0	15.0
Romblon.....	-----	44.7	3.0	47.7	256.6
Samar.....	107.5	67.8	139.6	314.9	34.1
Sorsogon.....	105.3	69.4	14.3	189.0	-----
Sulu.....	18.3	23.8	15.2	57.3	94.2
Surigao.....	54.3	2.0	5.4	61.7	15.0
Tarlac.....	145.5	7.9	29.4	182.8	26.8
Tayabas.....	181.6	33.5	53.3	268.4	-----
Zambales.....	59.6	34.2	40.0	133.8	-----
Zamboanga.....	61.9	49.3	32.6	143.8	115.5
Total.....	5,664.3	2,359.9	2,639.3	10,663.5	4,815.3

First-class roads.—Well graded and surfaced, thoroughly drained, and constantly maintained. Bridges and culverts are usually complete and permanent, and when missing their places are supplied by ferries capable of carrying automobiles weighing 2 tons or more. These roads are continuously passable at all times, with possible exceptions during typhoon periods.

Second-class roads.—Fairly graded, partially or naturally surfaced, and generally intermittently maintained. Bridges and culverts are usually complete, but, in part, are temporary structures. These roads are continuously passable for vehicle traffic during the dry season, but more or less impassable during the rainy season.

Third-class roads.—All traffic routes for carts not included in the first and second class roads. Such roads are usually narrow, poorly graded or not graded, and generally impassable in the rainy season.

At the end of the year 1924 there were 5,488.3 kilometers of first-class roads, 2,123 kilometers of second-class roads, and 2,704.6 kilometers of third-class roads, and 4,808.2 kilometers of trails. Comparing these figures with those of the foregoing table, there was an increase of 176 kilometers of first-class roads, an increase of 236.9 kilometers of second-class roads, a decrease of 65.3 kilometers of third-class roads, and an increase of 7.1 kilometers of trails. The total kilometrage of this means of communication is 15,478.8 kilometers for 1925 and 15,124.1 kilometers for 1924, showing an increase of 354.7 kilometers.

The following are the more important road projects on which work was performed during the year:

Rosario-Bolbok Road, Batangas Province.—This road is 22.1 kilometers long, 15.3 kilometers of which have been declared first class. This road is an important connecting link in the road systems of Batangas and Tayabas Provinces through Candelaria.

Damortis-Agoon Road, La Union Province.—This project is 10.6 kilometers long and was completed as first class in August, 1925, at a cost of approximately ₱43,000. This road fills the gap in the Manila North Road through La Union Province and has shortened land communication between Manila and

Ilocos Provinces by about 40 kilometers since it is no longer necessary to go via Baguio.

Cagayan Valley Road, Nueva Ecija Province.—The section of the Cagayan Valley Road within Nueva Ecija Province from kilometer 138.8 of the Manila North Road to Balete Pass is 72.2 kilometers long. This road is of great importance since it provides the only means of land communication with the Provinces in the Cagayan Valley (Nueva Vizcaya, Isabela, and Cagayan). Forty-seven and two-tenths kilometers are declared first-class road, and the remaining sections, which are from 4 to 6 meters wide, are being constantly improved and will be completed as first class as rapidly as available funds permit.

Cagayan Valley Road, Nueva Vizcaya Province.—The section of the Cagayan Valley Road within Nueva Vizcaya Province extends from Balete Pass to San Luis, a distance of 102.3 kilometers. Forty and seven-tenths kilometers are declared first class, 26 kilometers second class, and 35.6 kilometers third class. The actual expenditures during 1925 for construction purposes amounted to ₱56,000. The further improvement of this road is of urgent importance because it facilitates land transportation between Isabela and Nueva Vizcaya, especially for the exportation of rice from Nueva Vizcaya to Isabela.

Cagayan Valley Road, Isabela Province.—The section of the Cagayan Valley Road within Isabela Province extends from San Luis to Cagayan boundary, a distance of 141.2 kilometers, 74.3 kilometers of which are completed as first class, and the remaining portion consists of second-class road and new subgrade. The entire subgrade from Cagayan to Ilagan, 34 kilometers, and from Ilagan to Cabagan, 40 kilometers, was completed during the year. The total expenditure for construction was ₱144,030.70.

Cagayan Valley Road, Cagayan Province.—This road is 117.17 kilometers long, 59 kilometers of which are declared first class. The work accomplished during the year consisted in the construction of approximately 32 kilometers of subgrade between Alcala and Lal-lo and the construction of wooden bridges between Alcala and Gattaran. The expenditures for this project were ₱131,382.81.

Fabrica-Sagay-Escalante Road, Occidental Negros Province.—This road is almost completed as second class, and it is now opened to light vehicles throughout the year.

Sorsogon-Albay Road, Sorsogon Province.—The work accomplished during the year was the placing of second-course metaling on 21.1 kilometers at a cost of ₱43,807, leaving an uncompleted section of 6.55 kilometers. This road is 62.33 kilometers long, 34.68 kilometers of which were completed in previous years.

Bontoc-Tagudin Road, Mountain Province.—During 1925 the section of the old trail between Butac and Bontoc (95 kilometers) was greatly improved, and at the end of the year it was possible to motor from Tagudin to Bontoc, a distance of 125 kilometers. This road was opened to light motor vehicles in March, 1926.

Bridges.—The following are some of the more important bridges constructed or under construction during the year 1925:

Layac Bridge, Bataan Province.—The estimated cost of this bridge was ₱13,000, and the project was completed by contract for ₱12,607.82.

Apragonon Bridge, Cagayan Province.—This bridge is on the Cagayan Valley Road near the town of Aparri. Construction work on this bridge was started in August and was 50 per cent completed at the end of the year. The work is being done by contract for ₱29,950, the estimated cost being ₱34,000.

Sevilla Bridge, Ilocos Sur Province.—This bridge is constructed over the Sevilla Creek on the Manila North Road within the limits of the municipality of Santa Cruz. The estimated cost was ₱13,000. The bridge was advertised, but, as no bids were received, it was built by administration at a total cost of ₱12,666.41.

Bago Bridge, Occidental Negros Province.—This is the largest and most important bridge project under construction during the year. It is believed that the project will be completed and opened to the public by the end of 1926.

Binalalay Bridge, Pangasinan Province.—The estimated cost of this project is ₱30,000 and the total expenditures and liabilities to date amount to ₱26,360.52. The percentage of work completed to date is 30. Work on the bridge was started in the latter part of the year 1925 and is to be completed on or about April 30, 1926.

Borongan Bridge, Samar Province.—This bridge was commenced the latter part of 1924 and completed in the early part of 1925. The cost of construction was ₱62,648.78.

Kalilayan Bridge, Tayabas Province.—This bridge, which was commenced in 1924 and completed in the early part of 1925, is over the Kalilayan River on the Panaon-Unisan Road. It was completed in March, 1925, at a total cost of ₱30,960.28.

The number of durable bridges and culverts in existence from the year 1910 to the end of 1925, and their character, are shown below.

Fiscal year ending—	All durable structures	
	Total number	Increase during year
June:		
1910.....	4,372	507
1911.....	4,842	470
1912.....	5,177	358
1913.....	5,654	508
December:		
1913 (6 months).....	5,901	190
1914.....	6,206	305
1915.....	6,640	434
1916.....	7,156	516
1917.....	7,370	214
1918.....	7,426	56
1919.....	7,491	65
1920.....	7,521	30
1921.....	7,481	140
1922.....	7,562	81
1923.....	7,586	24
1924.....	7,613	27
1925.....	7,779	166

¹ Decrease.

NOTE.—The term "Durable bridges and culverts" include structures of reinforced concrete, steel, brick, and all substantial stone structures whether of adobe or other material.

BUILDINGS

Albay Provincial High School, Albay Province.—For lack of sufficient funds, the work to be done was let under three separate contracts, and the project was completed in December, 1925, at a total cost of ₱127,259.64.

Tarlac Municipal School building, Tarlac Province.—The contract for the complete construction of this building was awarded to Mr. Feliciano Nable, of Dagupan, Pangasinan, at the lump sum of ₱44,020, the building to be completed within 125 working days. The project was completed on September 23, 1925, and was turned over to the representative of the bureau of education on the same date. Total cost of the structure, including insular and provincial surcharges, is ₱46,094.84, which is ₱924.25 less than the estimated cost.

Aparri Market, Cagayan Province.—The two buildings were under contract with Mr. Fortunato Concepcion in the amount of ₱35,500. The work was started on April 14, 1925, and completed on October 7, 1925. Total cost of building, including the grading and insular and provincial surcharges, is ₱48,504.91.

Umingan Market, Pangasinan Province.—The construction work was commenced in February, 1925, and completed in September, 1925. The project was let under contract for the sum of ₱16,800. The total cost of the structure, including tables and insular and provincial surcharges, is ₱20,436.31.

Tagbilaran Hospital, Bohol Province.—This is a standard hospital building, and its construction, including plumbing and septic tank, was awarded by contract to the Jereza Construction Co., contractor of Cebu, who completed the structure in September. Its contract price was ₱21,300, excluding interior wiring and high fixture for electric lighting, which cost ₱1,325. Total cost of the building, including insular and provincial surcharges, is ₱26,663.64.

Dagupan Hospital, Pangasinan Province.—This project consists of stages Nos. 1 and 2, the dispensary pavilion, and the administration building and kitchen, respectively.

The construction of the first stage was started in January, 1924, by Contractor Feliciano Nable, and was completed in August, 1924. The contract price was ₱16,660. The administration building and kitchen were built under contract by Velasco & Co. The work on these buildings was started in July, 1924, and completed in April, 1925. The electrical installations for both buildings were done by Mora Electric Co. for ₱1,275 and ₱8,850, respectively. The hospital has been officially opened to the public and has been in operation since August 8, 1925. Total cost is ₱65,227.09.

Pozorrubio Presidencia (Pangasinan Province).—The estimated cost of the structure was ₱21,569. Total cost of the building is ₱20,110.56. It has been completed and is being occupied by the municipal authorities.

Calbayog Presidencia, Samar Province.—This building is of an old Spanish type, and has two stories, the lower story being of concrete and the second story entirely of wood. Special plans were prepared for the reconstruction of this building. Its outside dimensions are 24.20 by 12.80 meters.

The reconstruction work was done by contract with Jereza Construction Co., of Cebu, at a cost of ₱38,700. The work was completed in June, 1925, and was immediately inaugurated and occupied. Total cost is ₱49,597.14.

PORT WORKS CONSTRUCTION, IMPROVEMENT, AND SEASHORE PROTECTION

The close of the year showed the completion of the pierhead of Pier No. 7, with the exception of a temporary passageway through which it will be necessary for the locomotive crane to make one future trip, as well as the construction and opening to traffic of Twentieth Street, Muelle de San Francisco, and Twenty-fifth Street.

Itbayat (Batanes) derrick.—Plans were prepared for a derrick at the Itbayat Landing, Batanes Province, and the derrick was constructed and assembled for trial at Manila. An attempt was made to ship the derrick to Itbayat in September on the steamship *Bustamante*, but rough weather prevented landing at Itbayat. Another attempt will be made early in 1926.

Tagbilaran Channel, Bohol Province.—Work of deepening the entrance channel of Tagbilaran Harbor, Bohol, was undertaken by administration in June and completed November 1. The work comprised the dredging of a channel 50 meters in width and 60 meters in length across a coral reef and was accomplished by the use of explosives and the Cebu orange-peel dredge. The channel was deepened from a depth of 8 feet to a depth of 16 feet below mean low-low water. New Armco iron cylinder and cone markers were placed on the seven beacons marking the entrance channel to the harbor.

Aparri sea wall, Cagayan Province.—During the year 200 linear meters of reinforced sea wall, with apron, was constructed at Aparri. This work was done under contract on a unit-price basis which amounts to approximately ₱233 per linear meter of completed wall.

Dalahican Breakwater protection, Cavite Province.—Work on the construction of a riprap breakwater for the protection of the Dalahican section of the Manila-Cavite Road was undertaken by the Atlantic Gulf & Pacific Co., in January and continued until May, when weather conditions prevented continuation of the work. Nine hundred linear meters of breakwater were constructed to a height of 0.8 meters above mean low-low water. Work of extending and raising the breakwater to an elevation of 2.5 meters above mean low-low water was resumed in December. A total of 23,130 metric tons of rock was delivered during the year at a unit price of ₱3 per metric ton in place.

Cebu Jetty and dredging, Cebu Province.—The construction of a riprap jetty approximately 140 meters long in the harbor of Cebu was first advertised in November, 1924. The bids were considered excessive and were rejected and the project readvertised in January, 1925. Work on the project progressed very slowly and was practically abandoned by the contractor in September. Work was resumed, however, by the contractor's bondsmen about December 1 and is now progressing at a fair rate of speed. A total of 1,709 metric tons of hearing rock and 849 metric tons of derrick rock were placed during the year.

Cebu floating derrick, Cebu Province.—Plans were prepared and construction completed for a floating derrick dredge with a collapsible A frame for the port of Cebu during the early part of the year and sent to Cebu in April. After being tried out in Cebu, the dredge was sent to Bohol for work on the Tagbilaran Channel and returned to Cebu early in November. This derrick dredge will remain continuously at Cebu to accomplish such dredging and derrick work as

may be required. A total of 2,500 cubic meters of material was dredged at Cebu at a unit cost of ₱1.15 per cubic meter and deposited in the Cebu reclamation area.

Zamboanga Wharf extension, Zamboanga Province.—Bids received under the second advertisement for the Zamboanga Wharf extension were opened in January, 1925, and a contract made for the construction of 75 linear meters of reinforced concrete wharf. Work on the project progressed so slowly that in August the contract was annulled and the work undertaken by administration. Since taking over the work from the contractor most of the concrete piles have been cast and a pile driver constructed. The driving of the piles was started in December.

INSULAR IRRIGATION PROJECTS

The status of all insular projects which have been financed from bond-issue funds or approved for construction since 1918 is given in the following table:

Project	Province	Irrigated area, hectares	Estimated cost	Allotments authorized	Total expenditure and liabilities	When completed
Trinidad	Mountain Province	200.0	₱40,000	₱40,000	₱40,000.00	Completed 1921.
Santa Barbara	Iloilo	4,985.6	692,000	692,000	692,000.00	Completed 1922.
Dingras	Ilocos Norte	1,009.5	130,000	130,000	130,000.00	Do.
Baruyen	do	810.7	89,000	89,000	89,000.00	Completed 1923.
Naic	Cavite	676.0	300,000	292,000	292,000.00	Do.
Aganao	Iloilo	5,882.9	917,000	917,000	917,000.00	Do.
Talavera River	Nueva Ecija	7,716.01	1,108,000	1,108,000	1,108,000.00	Completed 1925.
Tagudin	Ilocos Sur	1,089.0	375,000	375,000	375,000.00	Do.
Dipolog	Zamboanga	1,060.0	110,000	128,250	128,250.00	Do.
Amburayan	La Union	4,500.0	950,000	1,156,000	1,120,769.17	91 per cent completed.
Angat River	Bulacan	25,000.0	4,500,000	4,664,000	4,501,411.26	85 per cent completed.
Laoag-Vintar	Ilocos Norte	6,000.0	1,000,000	1,360,000	1,161,668.72	86 per cent completed.
Sibalom-San Jose	Antique	4,000.0	500,000	385,000	342,481.30	84 per cent completed.
San Miguel extension	Tarlac	4,500.0	380,000	300,000	288,955.01	67 per cent completed.
Penaranda River	Nueva Ecija and Bulacan	18,000.0	2,250,000	1,589,185	1,960,961.07	5 per cent completed.
Lamiao	Bataan	160.0	30,000	5,000	3,424.00	Abandoned.

Of the total allotment authorized to date, ₱9,946,935 have been taken from the ₱20,000,000 bond issue authorized by Act 3013 and ₱2,619,500 from current revenues of the government.

COMPLETED PROJECTS

Talavera River irrigation project.—The last unit of this project was completed in time to furnish water to the total irrigable area of 7,716.39 hectares for the 1925 rice crop. An excellent yield was obtained, while adjacent unirrigated lands produced a very short crop.

At the request of interested landowners an extension of this project to cover approximately 1,500 hectares has been approved for construction, and it is expected that construction work can be completed before the next rice-planting season.

Tagudin irrigation project.—This project was practically completed during 1924. A continuous supply of water was available for the entire area served, with the result that excellent crops were produced.

PROJECTS UNDER CONSTRUCTION

Amburayan River irrigation project.—This project would have been completed in July, 1925, but for the early typhoons during May and June. The work on the excavation and lining of the tunnel as well as the placing of rubble masonry paving in the main canal adjacent to the tunnel were discontinued the latter part of June on account of high water. Construction work was

resumed in the early part of November, and, barring unforeseen events, the project will be completed as a whole on or before March 30, 1926, and officially opened in time for the next rice-planting season.

Angat River irrigation project.—The diversion works were completed in May, 1925, and water could have been delivered to a large part of the land under the south-side canal system but for the damages on the main canal resulting from unusually high flood on the Angat River during the month of July. The canal structures for the south-side system were 90 per cent complete at the end of the year and are to be finished before the next rice-planting season. The official opening of this part of the project is scheduled for May 1, 1926.

The excavation on the north-side canal system is 80 per cent complete and in all probability will be finished by July, 1926. Good progress has also been made on the canal structures, and it is believed that the project as a whole can be completed during 1926.

The flood of July 24, 1925, on the Angat River is said to have been the highest known by local residents during the last 50 years. The river overflowed its banks at a number of places and did considerable damage to the canal systems on both sides of the river. To prevent the recurrence of this, the south protection dike is being extended 6 kilometers upstream. A protection dike on the north side of the river has also been planned and construction work is pending the financing of same, since it has been decided that this dike should not be entirely paid for from irrigation funds.

Sibalom-San Jose irrigation project.—The contractor for the canal structures made good progress during the first three months of the year, but his work was interrupted by early rains which were more or less continuous in that locality until November, when he was again able to resume the work. The contractor's time for completion expired on December 31, 1925, but, in view of the difficulties encountered, an extension up to March 30, 1926, has been authorized. The contractor for the excavation of the main canal and laterals did not make satisfactory progress, due to scarcity of laborers. The project was 84 per cent completed at the end of the year and should be finished on or before July 1, 1926.

San Miguel extension project.—Contracts (1) for the construction of the earth protective dyke and the excavation of canals and laterals and (2) for the construction of the canal structures were awarded to Mr. Sotero Baluyut, contractor, of San Fernando, Pampanga, on January 29 and July 24, 1925, respectively. Good progress was made during the dry season and the early part of the rainy season. The amount of work accomplished indicates that this project as a whole should be completed before July 1, 1926.

Penaranda River irrigation project.—The contract for the construction of the diversion works was awarded to F. T. Ryan on June 9, 1925, but very little work could be accomplished during the rainy season, or until the month of November.

The typhoon of July 24 and 25, 1925, also caused the highest water ever recorded on the Penaranda River and disclosed the necessity of lengthening the weir from 250 to 310 meters and raising the height of the proposed protection dykes at each end of the weir by 1 meter. It is estimated that this will increase the estimated cost of the project by at least ₱150,000.

The contract for the excavation of the main canal and laterals was awarded to Mr. Sotero Baluyut in January, 1925, but very slow progress was made because of the difficulties experienced in securing laborers in that locality. The total amount of work accomplished by the contractor up to December 31, 1925, was only 3 per cent.

Contracts for the construction of the canal structures were awarded to Mr. F. T. Ryan for Zone 1 and to Mr. S. Naganye for Zones II and III on November 7 and December 4, 1925, respectively.

Laoag-Vintar irrigation project.—The construction of the diversion works under contract with Messrs. Gordon & Haley had been almost completed when a small flood occurred on May 23, 1925, and did considerable damage. The south head-gate structure was completed; the main body of the dam was completed but for 41 concrete paving blocks and a 27-meter section of the talus; the north head-gate structure was well under way, with a portion of the upstream retaining wall uncompleted and a gap of about 15 meters in the earth dyke immediately adjacent to the upstream retaining wall north head-gate structure. A flood on June 9, 1925, overtopped the uncompleted section

of the dike at the north end of the weir and destroyed 100 meters of the same and seriously undermined the north head-gate structure. The floods of July 7-14, 1925, continued the work of destruction by completely destroying the north head-gate structure and causing the failure of over one-half of the weir by undermining.

A committee of engineers composed of Messrs. W. J. Grodske, acting chief designing engineer, Luis Francisco, division engineer, and H. O. Bauman, project engineer, was appointed to investigate the causes of the failure with a view to fixing the responsibility for losses and damages. The committee found the contractors responsible for losses and damages amounting to approximately ₱170,000 and the government for about ₱40,000.

The contractors, Messrs. Gordon & Haley, practically abandoned their work just prior to July floods, and they having refused to resume work after the rainy season their contract was finally annulled on December 9, 1925. The completion of the project was immediately undertaken by the administration and it is planned to complete construction work before the next rainy season and to officially open the project by July 1, 1926.

OPERATION AND MAINTENANCE

The following table gives pertinent information regarding completed insular irrigation systems which are operated and maintained in accordance with the provisions of the irrigation act:

System	Province	Cost of construction	Irrigated area, hectares	Annual installment per hectare	Cost of operation, maintenance, and insurance per hectare, 1925	Total charges per hectare, 1925	Construction work completed
Pilar	Bataan	₱27,606.60	170.14	₱8.65	₱6.29	₱14.94	1912
San Miguel	Tarlac	1,089,000.00	2,596.98		3.14	6.00	1913
Santa Barbara	Iloilo	692,000.00	4,959.78	7.01	3.19	10.20	1922
Dingras	Ilocos Norte	130,000.00	1,014.61	3.70	3.70	10.21	1922
Baruyen	do	89,000.00	551.44	5.55	3.17	8.72	1923
Talavera River	Nueva Ecija	1,108,000.00	6,547.35	6.02	3.18	9.21	1923
Do	do		1,169.04	12.50		12.50	1924
Aganao River	Iloilo	917,000.00	6,196.79	8.42	3.22	11.64	1924
Tagudin	Ilocos Sur	375,000.00	1,080.00	17.40	3.43	20.83	1925
Dipolog	Zamboanga	128,250.00	1,060.00	6.33	3.21	9.54	1925
Trinidad	Benguet	40,000.00	200.00		(2)		1921
Naic	Cavite	292,000.00	675.97	21.82	(3)		1923
Total		4,887,856.70	26,222.10				

¹ Charge of ₱2.50 is for 1,169.04 hectares of land formerly irrigated by an old irrigation system from the Talavera River.

² System operated and maintained by the superintendent, Trinidad Farm School.

³ System operated and maintained by the bureau of lands.

The total area irrigated in 1925 was 26,220 hectares, as compared with 20,441 in 1924, or an increase of 5,780 hectares.

HYDROGRAPHIC INVESTIGATIONS

Hydrographers of the bureau made 1,693 discharge measurements at permanent gauging stations and 7 measurements at temporary stations during 1925. Six gauging stations were abandoned and 6 new stations established, leaving 147 permanent stations at the end of the year where daily gauge-height records are kept and frequent discharge measurement taken. Records were also kept for 32 rain-gauges established in localities distant from Weather Bureau's gauges.

WATER RIGHTS

There were received during the year a total of 145 new applicants for water rights, 139 of which were for irrigation and 6 for power-development purposes. A total of 139 applications were finally acted upon, 115 of which were granted and 24 disapproved by this department upon the recommendation of the irriga-

tion council. The water rights granted for irrigation purposes were based on irrigating 17,618 hectares of land. Of the 6 applications for the development of power filed in 1925, 5 applications for power development were approved for developing a maximum of 2,634 horsepower. Two streams were designated for the adjudication of existing water rights during the year 1925.

Surveys were completed and maps prepared of the lands having water rights on 11 streams with an aggregate area of 56,711 hectares, which is an increase of some 32,300 hectares over the work of the preceding year. The streams which are now pending adjudication follow:

Surveys have been completed and maps prepared on the following streams:

Stream	Province	Number of di- version ditches	Length of main canal in meters	Number of mu- nicipality affected	Approximate number of hectares irrigated
O'Donnell, Moriones, and Tarlac Rivers.	Tarlac.....	2	4,000	4	10,000
Ange and Gogo Rivers.....	Pampanga.....	25	970	4	5,200
Porac River.....	do.....	14	12,825	4	2,326
Gumain River.....	do.....	7	27,236	4	2,820
Caulaman River.....	Pampanga and Bataan.....	3	31,643	4	4,065
Banila River.....	Pangasinan.....	50	10,000	4	25,500
Andulan or Burubor River.....	do.....	30	1,000	2	1,300
Bued or Natayangan River.....	Nueva Ecija and Pangasinan.....	10	1,000	2	2,500
Parasapas Creek.....	Pangasinan.....	2	500	2	1,500
Paoy Lake.....	Ilocos Norte.....	1	3,000	2	500
Malabago or Anondaan River.....	Pangasinan.....	5	3,000	4	1,000
Total.....					56,711

Surveys are in progress with surveying parties in the field on the following streams:

Stream	Province	Municipality affected	Approximate area of land irrigated in hectares
Lubuae Estero.....	Ilocos Norte.....	Sarrat.....	300
Burnay River.....	do.....	Solsona and Dingras.....	1,500
Nagdesagan River.....	do.....	Piddig.....	800
Mauguigoging River.....	do.....	Dingras.....	500
Padsan River.....	do.....	Banna.....	1,900
Maolo River.....	Pangasinan.....	Sison and Pozorrubio.....	2,500
Gogo and Buge Esteros.....	Tarlac.....	Concepcion.....	3,000
Parua River.....	Pampanga and Tarlac.....	Mabalacat, Baman, and Concepcion.....	8,000
Total.....			18,500

Ten other streams have been designated for adjudication, but no work has yet been accomplished.

RIVER-CONTROL PROJECTS

Funds totaling ₱80,000 were released during the year from funds authorized by Act 3213 for the construction of the Bautista protection dike, Pangasinan; for repairs to the Batangas spur dikes and Balayan dike, Batangas; for the maintenance and repairs of Pampanga River dike, Pampanga; and for the maintenance of the Tarlac River dike, Tarlac, and Agno River dike and cut-off channel in Bayambang, Pangasinan.

There were during the year 56 river-control projects, whose status are shown in the following table:

Province	Municipality	River	Type of work	Estimated cost or funds available	Status
Abra.....	Bucay.....	Petee Creek.....	Construction of headgate.....	-----	Preliminary studies.
Do.....	Banguei.....	Abra.....	Bank revetment.....	-----	Preliminary investigation.
Albay.....	Liton.....	Caburan.....	Channel diversion.....	-----	Preliminary plans.
Do.....	Malinao.....	Malinao.....	Spur dike.....	P 50,000	Preliminary investigation.
Do.....	Guinobatan.....	San Francisco.....	Bank revetment.....	9,300	Preliminary plans.
Antique.....	Barbasa.....	Buangbang.....	do.....	-----	Preliminary investigation.
Do.....	Colasi.....	Buong.....	Channel diversion.....	40,000	Preliminary investigation and plans.
Do.....	Tibiao.....	Tibiao.....	Earth dike.....	-----	Preliminary report.
Batangas.....	Balayau.....	Buangbang.....	do.....	30,000	Completed.
Do.....	Batangas.....	Calumpang.....	Spur dikes.....	3,000	Do.
Do.....	do.....	Pansipit.....	Earth dike.....	3,000	Awaiting construction.
Do.....	Lal-lo.....	Cagayan.....	Bank revetment.....	38,000	Preliminary investigation.
Cagayan.....	Capalonga.....	San Francisco.....	(See Albay)	-----	Preliminary plans.
Camariues Sur.....	Goa.....	Largas.....	Channel improvement.....	-----	Preliminary studies.
Cebu.....	Barili.....	Manayupan.....	Levee around town.....	30,000	Do.
Do.....	Carcar.....	Carcar.....	do.....	35,000	Do.
Do.....	Danao.....	Danao.....	Earth dike.....	4,000	Completed.
Do.....	Argao.....	Argao.....	Protection dike.....	-----	Preliminary investigation.
Do.....	Solsona.....	Solsona.....	Bank revetment.....	-----	Do.
Do.....	Vinar.....	Vinar.....	do.....	-----	Preliminary studies.
Ilocos Norte.....	Guanes.....	Guanes.....	Earth dike and roadway.....	72,000	Awaiting construction.
Ilocos Sur.....	Parsua.....	Parsua.....	Bank revetment.....	-----	Preliminary investigation.
Do.....	Magsingal.....	Cabatuan.....	do.....	8,000	Awaiting construction.
Iloilo.....	Cabatuan.....	Tigum.....	Earth dike.....	-----	Preliminary investigation.
Do.....	do.....	Maigao.....	Bank revetment.....	-----	Do.
Do.....	Maigao.....	Mandilog.....	do.....	-----	Do.
Lanao.....	Iligan.....	Agoo.....	Causeway.....	90,000	Awaiting construction.
La Union.....	Agoo.....	Amburayan.....	-----	-----	Preliminary investigation.
Do.....	Bangar.....	Caba.....	Channel diversion.....	-----	Completed; constructed in connection with Amburayan River irrigation project.
Do.....	Caba.....	Malayo.....	do.....	-----	Preliminary investigation.
Do.....	Balaan.....	-----	-----	-----	Do.
Do.....	Luna.....	Buslac.....	do.....	-----	To be constructed from road funds.
Do.....	Santo Tomas.....	Manadiw.....	Bank revetment.....	-----	Preliminary investigation.
Leyte.....	Alang-alang.....	Mainit.....	-----	-----	Do.
Do.....	-----	-----	-----	-----	Do.
Do.....	-----	-----	-----	-----	Do.
Nueva Ecija.....	Billiran.....	Cabugayan.....	Flood canal.....	-----	Preliminary plans.
Nueva Vizcaya.....	Cabanatuan.....	Rio Grande.....	Channel diversion and dike.....	-----	Preliminary report.
Manila.....	Manila.....	Magat.....	-----	-----	-----
Occidental Negros.....	Manila.....	Pasig.....	-----	-----	-----
Do.....	Binabagan.....	Binabagan.....	Bank revetment and jetty.....	-----	-----
Do.....	Cadiz.....	Cadiz.....	-----	-----	-----

Occidental Negros.	Ilog.	Bank revetment and dike.		Preliminary studies.
Oriental Negros.	Tanay.	Improvement of dike.		Do.
Do.	La Libertad.	Reconstruction of dike.		Preliminary investigation.
Pampanga.	Potrero or Pasig.	Channel diversion.		Preliminary studies.
Do.	Pampanga.	Maintenance and improvement exist- ing dike on right bank revetment.	P 15,000	Topographic survey com- pleted.
Do.	Agno.	Earth dike.		Preliminary investigation.
Pangasinan.	do.	Earth dike and cut-off channel.	50,000	Completed.
Do.	Banila.	Earth dyke.	50,000	Do.
Do.	Anhayuan, Viray, and Di- palo.	Channel diversion.	100,000	Awaiting construction.
Do.	Catarman.	Repairs to existing spur dikes.		Do.
Samar.	Rangas.	Protection dike.	12,000	Preliminary investigation.
Sorsogon.	Tarlac.	Construction of apron for Tarlac dike.	12,000	Completed.
Tarlac.	O'Donnell.	Protection dike.	2,000	Do.
Do.	Lagnas and Sariaya.	Channel diversion and improvement.	3,000	Under way.
Tayabas.				

WATERWORKS

There were prepared plans and specifications for 16 municipal waterworks projects on which construction work was started during 1924. These projects will furnish potable water to a total population of 51,430, at an estimated cost of ₱436,000. Preliminary designs and estimates were also made for nine provincial and municipal waterworks projects, most of which are to be financed from loans. These projects will supply 29,500 people at an estimated cost of ₱403,000.

Construction work was completed by district engineers on 10 waterworks projects started during the previous year, leaving 40 projects under construction at the end of the year. The 10 completed projects cost ₱509,755.74 and serve a total population of 36,290, while the 40 projects still under way are estimated to cost ₱1,420,000 and will provide a potable water supply for 130,300 people.

There are 90 waterworks projects under consideration which contemplate furnishing water to a total population of 365,000 and are estimated to cost approximately ₱6,300,000. As soon as the municipalities concerned are able to finance these projects, construction work may be undertaken, excepting a few projects which require further investigation.

There are in the archipelago 132 municipal and provincial waterworks, excluding the Manila metropolitan water system, thus far completed, which furnish potable water to a total population of 415,000 and have cost ₱5,033,348.82.

The waterworks projects that were completed and those under construction to date are listed as follows:

Waterworks projects already completed

Province	Municipality	Population served	Cost	System	Capacity of system, gallons per day
Abra-----	Bangued-----	6,600	₱130,755.85	Gravity-----	180,000
Albay-----	United States Reservation, Regan Barracks, and Legaspi.	5,000	60,000.00	Crude oil and steam pumping.	259,200
Antique-----	San Jose-----	4,000	41,846.74	Pumping-----	47,520
Batangas-----	Balayan-----	2,000	7,353.92	Gravity-----	100,800
Do-----	Batangas-----	6,147	71,529.96	Pumping-----	144,000
Do-----	Cuenca-----	2,500	5,000.00	Gravity-----	5,040
Do-----	Lemery-----	7,200	47,132.84	Pumping-----	200,000
Do-----	Lipa-----	5,000	103,065.87	do-----	172,800
Do-----	San Jose-----	4,000	44,099.45	Gravity-----	216,000
Do-----	Santo Tomas (Kaulaw).-----	1,910	27,108.65	do-----	50,400
Do-----	Taal-----	5,000	91,188.34	Pumping-----	187,200
Do-----	Taal extension-----	4,000	57,220.41	do-----	80,000
Do-----	Tanawan ¹ -----	2,500	55,615.02	Gravity-----	45,000
Bohol-----	Dauin-----	840	5,100.00	do-----	77,760
Do-----	Duero-----	2,000	10,823.56	do-----	86,400
Do-----	Jagna-----	3,000	24,115.26	do-----	43,200
Do-----	Lacay-----	3,000	18,968.72	do-----	144,000
Do-----	Mabini-----	1,300	6,750.00	do-----	72,000
Do-----	Tagbilaran-----	5,245	13,837.47	Pumping-----	77,760
Do-----	Tubigon-----	4,800	37,094.06	do-----	100,800
Bukidnon-----	Deliric-----	600	-----	Gravity-----	4,320
Do-----	Malaybalay-----	1,300	11,641.16	do-----	20,160
Do-----	San Luis-----	500	650.00	do-----	-----
Bulacan-----	Marilao-----	(²)	22,101.50	do-----	-----
Do-----	Hagonoy-----	2,789	7,564.87	do-----	50,400
Do-----	Sibul, San Miguel-----	(³)	256,000.00	do-----	-----
Camarines Norte-----	Mambulao-----	(⁴)	1,200.00	do-----	-----
Capiz-----	Capiz-----	6,400	13,541.92	Concrete tank-----	(⁵)
Cavite-----	Indang ¹ -----	3,000	38,092.48	Pumping-----	144,000
Do-----	Mendez-Nunez-----	1,600	60,700.00	Water-wheel driven pump.	57,600
Do-----	Silang ¹ -----	4,000	35,303.29	Gravity-----	100,000
Cebu-----	Barili-----	2,067	26,958.28	do-----	61,200
Do-----	Carcar-----	4,463	64,004.45	do-----	216,000
Do-----	Catmon-----	1,624	16,399.56	Pumping-----	-----
Do-----	Cebu-----	65,000	510,540.13	Gravity-----	806,400

¹ Project completed in 1925.² Bathhouse.³ Spring improvement.⁴ No data.⁵ 264,170 gallon tank

Waterworks projects already completed—Continued

Province	Municipality	Population served	Cost	System	Capacity of system, gallons per day
Cebu	Cebu-Labangon	(⁶)	P16,000.00	Gravity	576,000
Do	Cebu-Sambag	(⁶)	35,789.18	Pumping	187,200
Do	Cordova	1,191	4,810.74	Rain tank	(7)
Do	Daanbantayan	579	5,672.99	do	(7)
Do	Dalaguete	2,480	14,941.15	Pumping	36,000
Do	Dumanjug	1,500	35,638.29	do	187,200
Do	Guinatlán	2,669	13,404.80	Gravity	43,200
Do	Malabuyoc	1,500	14,941.15	do	104,544
Do	Moalboal	2,108	14,297.27	do	54,720
Do	Opon	1,500	36,568.44	Pumping	144,000
Do	Oslob, Barrio Mainit		2,000.00	Gravity	
Do	Pilar	702	5,019.21	do	14,400
Do	Poró	1,000	8,873.63	do	21,600
Do	Naga	3,233	6,800.00	do	79,200
Do	Naga extension	(⁶)	4,552.48	do	
Do	Samboan ¹	2,741	7,514.11	do	49,248
Do	Barrio San Isidro, San Francisco	650	1,888.13	do	34,560
Do	San Francisco	1,243	6,200.00	do	10,000
Do	Sibonga	2,661	35,300.00	do	63,360
Do	Tuburan	3,900	55,335.55	do	120,960
Do	Tudela	851	8,263.29	do	24,480
Cottabato	Parang	600	9,600.00	Hydraulic ram	21,600
Davao	Davao	6,000	137,195.14	Gravity	86,400
Ilocos Sur	Vigan	8,440	127,399.52	do	201,600
Isabela	Iligan	(⁹)	(⁹)	(⁹)	
Laguna	Bay	1,471	2,767.72	Gravity	86,400
Do	San Pablo	7,000	89,455.82	do	576,000
Do	Santa Cruz	6,000	92,692.43	Pumping	352,800
Do	Majayjay	3,200	38,686.06	Gravity	187,200
Do	Nagcarlang	2,500	36,034.42	do	180,000
Do	Pagsanjan	4,044	73,782.67	Pumping	233,280
Marinduque	Boac	1,000	6,653.00	do	57,600
Do	Gasan	1,400	22,124.97	do	144,000
Do	Barrio Malbog, Buenavista	1,000	13,614.29	Spring and bath house	61,920
Do	Mogpog	1,280	10,535.69	Gravity	18,288
Do	Santa Cruz	2,560	20,696.23	do	158,400
Mindoro	Abra de Ilog	350	4,743.74	do	14,400
Do	Calapan	2,500	29,743.47	Pumping	57,600
Misamis	Baligasag	1,514	8,924.14	Gravity	57,600
Do	Cagayan	3,000	50,408.82	Pumping	86,400
Do	Mahinog	5,727	6,000.00	Gravity	
Do	Mambahao	14,446	30,000.00	do	
Do	Sagay	6,321	800.00	do	
Mountain Province	Baguio	6,000	220,565.10	Pumping and gravity	350,000
Do	Cervantes	800	7,565.07	Gravity	
Do	Teachers' camp and country club	1,500	(⁹)	do	216,000
Do	Mansion house	100	(⁹)	Pumping	
Do	Trinidad farm school	300	19,330.93	Gravity	36,000
Do	Trinidad stock farm	60	2,000.00	do	8,640
Nueva Ecija	Cabanatuan	6,000	111,302.49	Pumping	100,000
Oriental Negros	Basac	365	(⁹)	Hydraulic ram	
Do	Barrio Siquijor	494			
Do	Dumaguete ¹	4,000	84,131.43	Pumping	258,000
Do	Talingting	2,890	5,025.00	Gravity	6,480
Do	Lazi	2,300	6,980.77	do	
Do	Luzuriaga	2,500	12,317.44	do	269,280
Do	Maria	1,000	1,353.05	do	
Do	Maria extension	(¹⁰)	2,677.41	do	7,400
Do	Siquijor Pob.	1,587	18,000.00	do	
Palawan	Coron	1,150	7,844.63	Pumping	20,160
Do	Puerto Princesa	716	10,268.45	do	26,800
Pampanga	Angeles	6,708	12,318.52	Steam pumping	61,920
Do	Arayat ¹	3,840	35,180.95	Gravity	144,000
Do	San Fernando	1,000	1,050.02	Pumping	86,400
Pangasinan	Alcala	2,200	3,000.00	Gravity	129,500
Do	Bani	2,000	12,411.86	do	86,400
Do	Bayambang	2,400	8,652.80	do	108,000
Do	Dagupan	(¹¹)	2,823.02	do	
Do	Lingayen	(¹¹)	3,938.99	do	
Do	do	(¹²)	9,141.22	do	

¹ Project completed in 1925.² No data.³ Part of Cebu.⁴ 30,000-gallon tank.⁵ Part of Naga.⁶ Constabulary tank; no record.⁷ Part of Maria.⁸ Market.⁹ School.

Waterworks projects already completed—Continued

Province	Municipality	Population served	Cost	System	Capacity of system, gallons per day
Pangasinan	Lingayen ¹	7,000	P96,682.22	Pumping	288,000
Do.	Mangaldan	(11)	635.53	Gravity	122,400
Do.	San Fabian	(11)	682.87	do.	57,600
Rizal	Antipolo	2,250	23,299.07	Pumping	82,080
Do.	Pasig	10,000	40,000.00	do.	86,400
Romblon	Looc	2,000	27,517.26	Gravity	144,000
Do.	Romblon	2,300	(1)	do.	
Samar	Calbayog	(11)	(1)	Rain tank	(13)
Do.	Catbalogan	2,000	64,308.94	Gravity	55,000
Do.	Oras	4,000	(1)	do.	
Sorsogon	Bacon	3,200	21,000.00	do.	79,200
Do.	Magallanes	3,500	8,000.00	Pumping and gravity	
Do.	Sorsogon ¹	6,000	70,701.49	Gravity	206,000
Do.	Sorsogon	250	1,044.67	Pumping	38,000
Sulu	Jolo	722	76,974.29	do.	115,200
Surigao	Barrio Bacuag, Gigaquit	2,405	7,500.00	Gravity	
Do.	Lianga	1,290	1,924.58	do.	2,880
Do.	Placer	870	13,133.95	do.	18,720
Tarlac	Moncada ¹	3,000	22,122.26	do.	86,400
Tayabas	Lucban	3,200	50,205.60	do.	316,800
Do.	Lucena	7,500	234,390.57	do.	432,000
Do.	Mauban ¹	3,500	57,209.32	Pumping	144,000
Do.	Pagbilao	2,300	70,538.47	Gravity	46,000
Do.	Sariaya	6,000	37,935.00	do.	201,600
Do.	Tayabas	4,600	125,159.36	do.	432,000
Zambales	Subic	1,623	10,674.62	do.	11,520
Zamboanga	Zamboanga	5,000	305,361.30	Gravity and hydro-electric.	504,000
Total		414,671	5,033,348.82		

¹ Project completed in 1925.⁴ No data.¹¹ Market.¹³ 20,000-gallon tank.*Waterworks projects under construction*

Province	Municipality	Type of system	Population to be served	Estimated cost	Funds available	
					Insular allotment	Municipal allotment
Albay	Guinobatan ¹	Gravity	5,000	P45,000.00	P25,000.00	P12,500.00
Antique	Bugasong ¹	do.	2,500	21,000.00	10,750.00	7,000.00
Batangas	Bauan	Pumping	4,700	65,000.00	40,000.00	20,000.00
Do.	Rosario ¹	do.	5,000	18,000.00	12,000.00	6,000.00
Do.	Talisay ¹	Gravity	2,130	21,000.00	14,000.00	7,000.00
Bohol	Calape ¹	do.	2,600	30,000.00	20,000.00	10,000.00
Do.	Inabanga ¹	do.	4,000	40,200.00	20,000.00	16,700.00
Do.	Loboc ¹	do.	3,000	22,000.00	10,000.00	10,000.00
Do.	Leon	do.	5,000	33,000.00	22,000.00	11,000.00
Bulacan	Malolos	Pumping	6,000	120,000.00	75,000.00	57,500.00
Camarines Norte	Paracale ¹	Gravity	2,500	7,800.00	4,000.00	2,400.00
Cavite	Cavite	Pumping	10,910	90,000.00	49,000.00	37,500.00
Cebu	Carcar (improvement)	Gravity	4,000	48,000.00	17,000.00	6,000.00
Do.	Dalaguete extension	do.	3,500	27,000.00	18,000.00	9,000.24
Laguna	Alaminos	do.	1,130	30,000.00	20,000.00	10,000.00
Do.	Calamba	Pumping	7,000	85,000.00	50,000.00	25,000.00
Do.	Lilio ¹	Gravity	4,500	42,000.00	25,000.00	14,000.00
Do.	Luisiana ¹	do.	4,500	48,000.00	20,000.00	16,000.00
Do.	Magdalena	do.	3,000	68,000.00	42,400.00	21,210.79
Do.	Rizal ¹	do.	3,000	27,000.00	18,000.00	9,000.00
La Union	San Fernando	do.	5,000	84,000.00	49,000.00	32,000.00
Leyte	Baybay	do.	8,000	66,000.00	44,000.00	25,000.00
Marinduque	Torrijos ¹	do.	5,000	21,000.00	14,000.00	8,000.00
Mountain Province	Apayao (Kabuyao)	do.	800	7,000.00	5,000.00	
Do.	Kiangan	do.		7,000.00		6,643.40
Do.	Lubungan	do.	1,200	8,000.00	5,000.00	

¹ Project begun in 1925.

Waterworks projects under consideration—Continued

Province	Municipality	Type of system	Population to be served	Estimated cost	Funds available	
					Insular allotment	Municipal allotment
Nueva Ecija.....	Munoz Central Luzon Agricultural School. ¹	Pumping.....	1,000	₱10,000.00	₱10,000.00	-----
Oriental Negros.....	Dawin ¹	Gravity.....	1,500	23,000.00	13,000.00	₱10,000.00
Palawan.....	Bacuit.....	do.....	1,000	3,200.00	2,500.00	700.00
Do.....	Balabac extension.....	do.....	800	5,000.00	3,200.00	-----
Do.....	Barrio Bintuan.....	do.....	1,000	5,500.00	3,700.00	1,000.00
Do.....	Culion.....	Gravity and pumping.....	5,000	35,000.00	35,000.00	-----
Do.....	Cuyo.....	Pumping.....	800	10,000.00	6,650.00	3,000.00
Do.....	Oton.....	Gravity.....	330	5,000.00	3,000.00	-----
Do.....	Puerto Princesa (re-construction).	Pumping.....	400	3,300.00	2,200.00	-----
Pangasinan.....	San Manuel ¹	Gravity.....	4,000	36,000.00	20,000.00	18,000.00
Tayabas.....	Candelaria.....	do.....	3,500	39,000.00	35,000.00	20,000.00
Do.....	Mulanay ¹	do.....	1,200	24,000.00	-----	11,180.00
Do.....	Tiaong.....	do.....	1,800	45,000.00	26,000.00	15,000.00
Zambales.....	San Antonio.....	do.....	4,000	75,000.00	25,000.00	(2)
Total.....	-----	-----	130,300	1,420,000.00	814,400.00	438,334.43

¹ Project begun in 1925.² One-third cost guaranteed by municipal council and provincial board.

ARTESIAN WELLS

During the year 1925 there were, on the average, 21 deep-well rigs in the field, all of which were in active operation throughout the year. The average number of machines in operation for the year, not including those engaged in drilling private wells and those that were cleaning or repairing old wells, was 19½ per month against 17½ for 1924. The increase in the number of drilling machines operated during 1925 was made possible chiefly by the existence of a credit balance of approximately ₱135,000 from the 1924 insular appropriations and the early release of the 1925 appropriations.

The total number of successful artesian wells drilled by the bureau of public works from 1904 to 1925 is 1,751. This number includes private wells drilled from 1904 to 1923. These wells are capable of supplying a total of about 40,000,000 gallons of potable water per 12-hour day, which at the rate of 20 gallons per person per day of 12 hours would supply no less than 2,000,000 people.

Funds expended

	1925		1924	
	Pesos	Per cent	Pesos	Per cent
Successful wells.....	245,336.22	84	224,320.69	86
Unsuccessful wells.....	67,124.24	16	37,659.07	14
Total.....	312,460.46	100	261,979.76	100

Corporate cost of drilling

	1925	1924	Increase
A. Unsuccessful wells included:			
Per meter.....	₱28.10	₱26.65	₱1.45
Per foot.....	8.67	8.25	.32
B. Not including unsuccessful wells:			
Per meter.....	29.12	25.60	3.52
Per foot.....	8.88	8.16	.72

Summary of deep-well drilling, 1925

[Not including private wells]

	Number of wells drilled	Total depth in meters	Total flow in liters per minute
Successful:			
Flowing.....	40	4, 134	7, 524
Pumping.....	64	4, 291	5, 816
Total successful.....	104	8, 425	13, 340
Unsuccessful.....	20	2, 693	-----
Grand total.....	124	11, 118	13, 340

The aggregate depth of wells drilled in 1925 exceeded the depth of those drilled in 1924 by 1,437 meters. Percentage of unsuccessful wells drilled (not including private wells), in 1925, 16; in 1924, 14.

Out of the total 20 unsuccessful wells drilled during 1925 only one was abandoned, due to the breaking of the drive pipe at a considerable depth inside the hole. The rest were successfully completed, but the water obtainable was either salty or not suitable for drinking and domestic purposes.

MACHINE SHOP

The bureau of public works shop completed 1,036 work orders, from which an income of ₱102,179.07 was derived, as compared with 894 work orders completed during 1924, valued at ₱88,790.18. These figures show an increase of 142 work orders accomplished in 1925 and a corresponding increase in income of ₱13,380.29.

REGISTRATION AND REGULATION OF MOTOR VEHICLES

During the year ending December 31, 1925, there were 4,379 motor vehicles newly registered and 15,210 reregistered for operation, or a total of 19,589 motor vehicles, as compared with 15,676 registered during 1924. There were also 1,233 motor vehicles registered for storage. During this same period about 8,000 applicants for drivers' licenses were examined and 2,490 new licenses issued. Including renewals, 25,127 operators of motor vehicles were licensed during 1925.

The following is a comparative tabulation of motor vehicles registered during the years 1924 and 1925:

	1924	1925
Automobiles.....	10, 973	13, 549
Motor trucks.....	3, 870	5, 225
Motor cycles.....	833	815
Total.....	15, 676	19, 589

The campaign for the apprehension of violators of the motor-vehicle law was carried out more vigorously, with the result that there were 1,243 licenses suspended and 20 licenses revoked, as compared with 303 licenses suspended and 6 licenses revoked during 1924. The results of the campaign are as follows:

	Total number of cases reported		Cases for reckless driving		Cases for speeding	
	1924	1925	Number	Per cent	Number	Per cent
First quarter.....	105	545	90	17	33	6
Second quarter.....	253	664	101	15	59	9
Third quarter.....	273	776	204	26	9	1
Fourth quarter.....	210	718	178	25	62	9
Total.....	841	2, 703	573	-----	163	-----

	1924	1925
Provisions of the automobile law commonly violated (Act 3045):		
Section 20, overloading.....	294	662
Section 26-b, reckless driving.....	189	573
Section 34, lights.....	139	180
Section 14-h, driving without license.....	137	256
Section 26-a, speeding.....	87	163
Number of deaths reported during the year.....	30	37
Number of licenses suspended during the year.....	303	1,243
Number of licenses revoked during the year.....	6	20
Amount of fines reported imposed during the year.....	P22,613	P25,801

THE BENGUET AUTOMOBILE LINE

The Benguet Auto Line operated during the year 5 first-class busses, 1 third-class bus, 1 combined passenger and express truck, 1 fire truck, 4 express and freight trucks, 12 special touring cars, 1 baggage-delivery jitney, and 1 service car for mechanics, and handled 6,098 and 321 half-rate first-class passengers, 13,556 and 1,446 half-rate third-class passengers, 27,720 kilos of hand baggage, 1,832,814 kilos of express and freight, and 60,034.5 kilos of deadhead express and freight. No serious accidents occurred in the operation of the line.

The appropriation authorized for the Benguet Auto Line for the year 1925 was P90,000,000, while the total receipts during the year, including collections made by the Manila Railroad Co. for the months of November and December, 1924, but not including collections for the months of September, October, November, and December, amounted to P151,424.21. The estimated net earning therefore amounts to over P50,000.

AUTOMOBILE TRANSPORTATION

The central garage, which was established in March, 1923, was closed on August 31, 1925, and the furnishing of transportation to insular bureaus and offices in the city of Manila contracted for with the national garage.

During the period January 1 to August 31, 1925, the central garage operated the following cars: Ford, 4; Dodge, 3; Chandler, 1; and Renault, 1; and 35 different bureaus and offices of the insular government, the Province of Cavite, and the city of Baguio made calls for transportation as follows:

Transportation within the city.....	trips..	1,517
Provincial.....	do.....	42

During the eight months' period mentioned the income of the garage was P10,761, and the operating expense P17,940.59. The cars were all old and dilapidated, resulting in high repair bills and unsatisfactory service. The rates charged by the national garage are from 10 to 30 per cent below the former central garage rates, and the service rendered by the contractor thus far has been very satisfactory. The contractor reports a total of 420 calls for transportation from September 1 to December 31, 1925.

EXPENDITURES

The following is a summary of expenditures supervised during the year 1925 as compared with the year 1924:

	1924	1925
Total expenditures.....	P18,174,918.88	P20,841,443.60
Total expended upon road and bridge work.....	8,131,068.14	8,967,899.19
Total expended upon building work.....	2,911,816.19	3,585,976.91
Total expended upon port works.....	3,197,016.44	3,110,615.16
Total expended upon water supply.....	751,912.13	1,298,820.21
Total expended upon irrigation projects.....	2,050,703.01	2,740,612.03
Operation of auto line, quarries, and the supervision of motor-vehicle traffic.....	286,000.00	271,030.59
Expenditures on miscellaneous items account for the balance.....	846,402.97	866,489.51

BUREAU OF POSTS

JOSÉ TOPACIE, director

ORGANIZATION AND PERSONNEL

Number of offices.—At the close of 1925 there were in operation 936 post offices, 446 money-order offices, 678 postal-savings banks, and 408 telegraph offices (including 28 radio stations), which figures, compared with those of 1924, show an increase of 22 post offices, 8 money-order offices, 2 postal-savings banks, and 8 telegraph stations. There were also in operation in Manila 33 postal stations where stamps were sold and letters mailed and registered; in Cebu, Cebu, 3 postal stations and 3 postal agencies where stamps only were sold; in Iloilo, Iloilo, 4 postal agencies; and in Mati, Davao, 1 postal agency.

Personnel.—The total number of officers and employees of the bureau at the close of the year, exclusive of mail contractors and messengers, was 3,413, as compared with 3,339 for the previous year, an increase of 74, or 2.2 per cent. There were 39 Americans, 1 Chinese, and 500 Filipino mail contractors and messengers, a total of 540, as against 511 for the previous year, an increase of 29, or 5.6 per cent.

Twenty-eight employees were granted retirement during the year under consideration under the provisions of Act No. 2589, as amended, as against 5 during the preceding year.

During the same period 105 employees were dismissed for cause and 152 were fined, as against 100 and 181, respectively, for the preceding year.

Telegraph school.—The total enrollment of students for 1925 was 125, of which 60 have been assigned in the Provinces, 7 resigned, 2 dropped for long and unexplained absence, and 1 dismissed for cause.

POSTAL BUSINESS

Registered mail.—Following is a comparative statement of articles deposited, delivered, and in transit for the years 1924 and 1925:

	1924	1925	Increase	
			Amount	Per cent
Number of pieces accepted for registration.....	1, 543, 249	1, 647, 172	103, 923	6. 7
Number of pieces received for delivery.....	1, 579, 496	1, 679, 637	100, 141	6. 3
Number of pieces in transit.....	891, 859	1, 144, 769	252, 910	28. 3

(a) *Insured registered mail.*—The following table shows the number and value of insured registered mail and amounts of fees and commissions paid therefor from 1923 to 1925, inclusive:

Year	Articles mailed		
	Number	Aggregate value	Registration fees and commissions
1923.....	14, 708	P375, 213. 23	P4, 660. 38
1924.....	14, 984	535, 605. 92	4, 802. 60
1925.....	21, 753	748, 164. 08	7, 271. 98

(b) *Domestic C. O. D. service.*—The following is a comparative statement of the growth of this service since 1922:

Year	Parcels mailed		
	Number	Amount to be collected	Commission paid
1922.....	74,242	P\$80,975.94	P\$17,794.74
1923.....	107,380	1,173,572.62	26,662.12
1924.....	160,849	1,944,475.58	41,376.70
1925.....	225,057	2,769,667.12	57,356.06

Foreign parcel-post articles received.—During the year under review 12,252 international parcels post were received as against 11,069 in 1924, an increase of 1,183 or 11 per cent. The offices of origin of these parcels are as follows:

	1924	1925
Hongkong.....	1,501	830
Japan.....	2,141	2,482
China.....	839	2,109
Australia.....	102	89
Other oriental countries.....	1,555	533
England.....	1,487	1,694
All others.....	3,744	4,516
Total.....	11,069	12,252

Foreign parcel-post articles dispatched.—The parcels post dispatched to foreign countries during 1925 were 2,718 registered ones and 4,912 ordinary parcels, a total of 7,630 parcels, as against 3,247 and 5,212, respectively, for 1924, a total of 8,459 parcels, or a decrease of 829 parcels, or 10 per cent. The parcels were distributed to the different countries as follows:

	1924		1925	
	Registered	Ordinary	Registered	Ordinary
Hongkong.....	697	419	557	456
Japan.....	711	550	472	654
Australia.....		230		172
Other oriental countries.....	1,405	1,918	363	1,588
Europe and all others.....	434	2,100	434	2,040
Total.....	3,247	5,212	2,718	4,912

Exchange of mails with the United States and foreign countries.—The following is a summary in tabulated form of exchanges with the United States and foreign countries.

	1924	1925
Number of mails received from the United States.....	155	190
Number of pouches of letters from the United States.....	1,807	1,830
Number of pouches, sacks, and cases of registers received from the United States.....	1,791	2,265
Number of sacks and cases of merchandise and printed matter from the United States.....	69,219	70,455
Number of mails sent to the United States.....	186	161
Number of pouches of letters to the United States.....	1,071	1,154
Number of pouches of registers to the United States.....	713	707
Number of sacks of registers to the United States.....	23,014	29,014
Number of sacks of unregistered mails sent to the United States (including equipments).....	6,236	7,073
Number of mails received from foreign countries.....	518	482
Number of bags received from foreign countries.....	11,316	12,027
Number of mails sent to foreign countries.....	543	513
Number of bags sent to foreign countries.....	6,641	6,078
Number of parcel-post packages sent to foreign countries.....	5,200	4,912
Net weight of letters sent to foreign countries (in grams).....	14,396,350	15,148,905
Net weight of other articles sent to foreign countries (in grams).....	43,103,800	44,272,554

Weights of letters and other articles sent to foreign countries.—There was an increase in the weight of mail matter sent to foreign countries from 14,396,350 grams of letters in 1924 to 15,148,905 in 1925, an increase of 752,555 grams, or 5 per cent. The net weight of other articles sent increased from 43,105,800 grams in 1924 to 44,272,554 grams in 1925, an increase of 1,166,754 grams, or 2.7 per cent.

Second-class matter.—The number of publications registered at the beginning of the year as second-class matter was 131, while that of news dealers that held permits to mail publications at the second-class rate of postage was 6. During the year 31 new publications were accepted for registration and 20 publications were discontinued, so that at the close of the year there was a total of 142 publications in the second-class register. One news dealer was given permit to mail publications at second-class rates, the total being 7 at the close of the year.

The following are the publications registered as second-class matter during the year 1925:

Name	Location	Language	Frequency of issue
1. Teachers' News.....	San Fernando, Pampanga.	English.....	Monthly.
2. Monthly Bulletin of the Philippines Health Service.....	Manila.....	do.....	Do.
3. The Negros Chronicle.....	Bacolod.....	English-Spanish- Visayan.	Daily.
4. The Little Apostle of the Mountain Province.....	Baguio.....	English.....	Monthly.
5. Tonung.....	Dagupan.....	Pangasinan.....	Weekly.
6. Ing Katiwala.....	San Fernando, Pampanga.	Pampango.....	Do.
7. Amigo del Pueblo.....	Manila.....	Ilocano-Tagalog- Spanish-Eng- lish.	Monthly.
8. The Tribune.....	do.....	English.....	Daily.
9. Philippine-Chinese Weekly.....	do.....	Chinese-English..	Weekly.
10. El Norte.....	do.....	English-Spanish- Ilocano.	Monthly.
11. La Visita.....	Baguio.....	Ilocano.....	Weekly.
12. Estudiantina.....	Cebu.....	English-Spanish..	Fortnightly.
13. La Mujer.....	Manila.....	do.....	Monthly.
14. Plis-Plis.....	do.....	Tagalog.....	Weekly.
15. Boletín Marítimo.....	Cebu.....	Spanish.....	Monthly.
16. Vox Populi.....	Manila.....	English-Spanish..	Every 10 days.
17. Ang Yutang Natawhan.....	Tagbilaran.....	Visayan.....	Weekly.
18. Isagani.....	Manila.....	Spanish.....	Monthly.
19. El Filipino.....	do.....	English-Spanish- Ilocano.	Do.
20. El Nacional.....	Silay.....	Spanish-Visayan..	Three times a week.
21. The Filipino People.....	Manila.....	English.....	Weekly.
22. The Student.....	do.....	do.....	Two times a month.
23. Sampaguita.....	do.....	English-Tagalog..	Weekly.
24. Heraldó Marítimo.....	do.....	Spanish.....	Monthly.
25. The La Union Teacher.....	San Fernando, Union.	English.....	Do.
26. The Message.....	Manila.....	do.....	Quarterly.
27. Prensa Libre.....	Iloilo.....	Spanish.....	Daily.
28. The Chinese National Press.....	Manila.....	Chinese.....	Weekly.
29. The Announcer.....	Calivo.....	Visayan-English..	Do.
30. Khaki and Red.....	Manila.....	English.....	Monthly.
31. Bulalakaw.....	do.....	Tagalog.....	Fortnightly.

The publications discontinued during the same period were as follows:

Name	Location	Language	Frequency of issue
1. The Educator.....	Manila.....	English-Spanish- Tagalog.	Monthly.
2. Estudio.....	do.....	Spanish.....	Weekly.
3. Filipino Youth.....	do.....	Pampango.....	Do.
4. Rural Credit.....	do.....	English-Spanish..	Monthly.
5. El Norte.....	do.....	Spanish-Ilocano..	Do.
6. Chinese National Tribune.....	do.....	Chinese.....	Daily.
7. Philippine Republic.....	do.....	English-Spanish- Tagalog.	Monthly.
8. Silliman Alumnus.....	Dumaguete.....	English.....	Quarterly.
9. Daclat Ning Catutuan.....	Manila.....	Pampanga.....	Weekly.

Name	Location	Language	Frequency of issue
10. La Prensa.....	Iloilo.....	Spanish.....	Daily.
11. Nueva Luz.....	Bacolod.....	English-Spanish- Visayan.	Do.
12. The Leyte News.....	Tacloban.....	English.....	Monthly.
13. Bugha ni Jantoy.....	Carcar.....	Visayan.....	Weekly.
14. Philippine Chinese Weekly.....	Manila.....	Chinese-English.....	Do.
15. Plis Plas.....	do.....	Tagalog.....	Do.
16. Panagbiag.....	do.....	Ilocano.....	Monthly.
17. Ang Abyan Sa Lungsod.....	Cebu.....	Visayan.....	Weekly.
18. Manogbantay.....	Iloilo.....	do.....	2 times a week.
19. The Leader.....	Tacloban.....	English-Spanish- Visayan.	Weekly.
20. Progreso Economico de Filipinas.....	Manila.....	English-Spanish..	Monthly.

For the first time record was taken of the number of copies of newspapers and periodicals mailed at second-class matter postage. The total number of copies is 10,828,901, or an average of 1 copy for each inhabitant.

Insular air mail.—During the year the Philippines was able to enjoy for short periods an air-mail service. Commander Francesco de Pinedo, the Italian aviator who passed through the Philippines in the latter part of August and the early part of September, graciously consented to carry mails, free of charge, from Zamboanga and Cebu to Manila and from Manila to Aparri. A total of 1,542 letters were transported by the said aviator on his seaplane *Savoia*.

Shortly after United States Army seaplanes made trips to the southern islands, the Army officials giving the bureau the privilege of dispatching mails thereon.

Dead mail matter.—There were received at the dead-letter section 1,075 registered articles, 90,475 ordinary letters, and 4,223 ordinary parcels, a total of 95,773 pieces, as against 95,457 for the preceding year, or an increase of 3 per cent. On December 31, 1925, there were still on file 1,113 registered articles and 346 pieces of ordinary mail containing valuable inclosures, the rest having been returned to senders or otherwise disposed of under existing regulations.

MAIL ROUTES

There were 540 mail routes in operation during the year, as against 526 in 1924, an increase of 14 routes, or 3 per cent. Of these routes 425 are between post offices and 102 between post offices and mail boats and mail trains.

The length of routes between post offices in operation during the year was 10,091.6 kilometers, as against 9,986.3 kilometers in the previous year, an increase of 105.3 kilometers, or 1 per cent.

During the year the mail was carried over a distance of 3,981,751.1 kilometers between post offices, as against 3,597,144.2 in 1924, an increase of 384,606.9 kilometers, or 11 per cent. The average cost per kilometer traveled was ₱0.0512, as against ₱0.0599 in 1924, a decrease of ₱0.0087, or 10 per cent.

During the year mail was transported over 1,678,371.4 kilometers of the lines of the Manila Railroad Co. and the Philippine Railway Co. at a cost of ₱122,652.15, an increase of 180,919.66 kilometers (12 per cent) and ₱1,734.33 (1½ per cent), respectively, over the previous year. The average rate per kilometer in 1925 over the whole lines was ₱0.07307, or 9½ per cent lower than that of 1924, which was ₱0.0807.

In 1925 mail was carried over 33,560.39 kilometers by street cars of the Manila Electric Co. at a cost of ₱1,093.25, as against 24,778.23 kilometers and ₱963.80, respectively, in 1924. The average cost per kilometer in 1925 was ₱0.0325, or 16 per cent lower than in 1924, which was ₱0.0389.

TELEGRAPH

The business handled by this branch of the service in 1925, compared with that of 1924, is as follows:

Month	Number of messages		Amount of tolls	
	1925	1924	1925	1924
January.....	102,200	97,665	P 121,916.72	P 119,088.88
February.....	92,142	93,136	108,940.20	113,540.45
March.....	112,624	105,104	135,550.07	126,480.24
April.....	105,268	101,611	125,041.92	113,900.84
May.....	105,271	106,174	126,659.38	118,138.81
June.....	112,330	98,135	133,901.22	112,087.16
July.....	96,371	94,183	118,083.68	107,818.69
August.....	93,457	94,566	96,947.09	109,288.50
September.....	92,868	92,032	112,032.93	106,109.64
October.....	97,080	96,136	113,235.28	113,961.79
November.....	86,480	98,058	101,883.06	102,138.92
December.....	101,787	100,243	119,515.34	91,148.21
Total.....	1,197,878	1,168,043	1,414,006.89	1,333,702.13
Increase.....	¹ 29,835	-----	² 80,304.76	-----

¹ 2.5 per cent.

² 6.2 per cent.

We constructed during the year 1,186.02 kilometers of new telegraph lines, reconstructed 547 kilometers, and carried on an extensive improvement work on the old lines. At the close of the year we had a total of 11,802.13 kilometers of land line and 1,085.49 kilometers of cable line.

Telegraphy duplex system.—There are now nine offices where duplex sets are in use, namely, Manila, Dagupan, Baguio, Lucena, Vigan, Ilagan, Olongapo, Iloilo, and Bacolod. The Manila-Dagupan-Vigan duplex is operated almost continuously, as there are no intermediate stations. The others are operated by schedule. Those of Lucena and Olongapo have not worked satisfactorily.

Combined telegraph-telephone service.—During the year under review 7,883 "combined telegraph-telephone messages" were handled, an increase of 2,474, or 45.7 per cent, over the number handled in 1924, which was 5,409.

This system is now in operation in 409 nontelegraph towns and barrios, or an increase of 53 over the number for 1924.

The following statement shows the amount of lettergram business handled in 1925 at each office.

Office	Sent		Received		Tolls on sent business
	Number of messages	Number of words	Number of messages	Number of words	
Manila.....	402	19,662	727	29,187	P 415.78
Baguio.....	443	16,739	294	14,747	424.94
Cebu.....	161	4,727	80	2,207	253.79
Dagupan.....	17	559	7	220	10.31
Guinayangan.....	6	286	3	116	3.87
Ibajay.....	46	1,803	10	369	55.44
Iloilo.....	68	2,903	74	3,042	101.10
Legaspi.....	69	3,074	48	2,088	85.52
Incena.....	8	388	1	14	5.89
Masbata.....	10	390	2	72	12.12
Romblon.....	32	2,324	16	793	46.17
Total, 1925.....	1,262	52,855	1,262	52,855	1,414.93
Total, 1924.....	1,318	53,961	1,318	53,961	1,349.83

RADIO

Ship radio service.—There were exchanged between ships and our coastal stations 2,665 paid messages containing a total of 45,329 words, an increase of 518 messages, or 24.1 per cent, and of 1,388 words, or 3.1 per cent, as compared with the business handled in 1924.

Radio service between the Philippines and British North Borneo.—There were 263 messages containing 2,128 words exchanged between Zamboanga and Sandacan, or a decrease of 105 messages (28 per cent) and 896 words (29 per cent).

FOREIGN CABLE SERVICE

1. *Eastern Extension Cable.*—During the year under review we turned over to the Eastern Extension Australasia & China Telegraph Co. (Ltd.) a total of 5,564 cablegrams for abroad, or an increase of 357 (6.8 per cent) over the number handled in 1924, which was 5,207. For these cablegrams we paid the company ₱40,850.40, or an increase of ₱6,421.76 (18.6 per cent), the amount paid in 1924 being ₱34,428.64 only. This company turned over to the bureau of posts for transmission to the Provinces 3,816 messages from abroad, or a decrease of 229 (5.6 per cent), the number turned over in 1924 being 4,045. There was also a decrease of 6.7 per cent in the amount of tolls paid to us, the figures being ₱6,925.88 for 1925 and ₱7,430.52 for 1924.

2. *Commercial Pacific Cable.*—To the Commercial Pacific Cable Co. we turned over 2,263 cablegrams for abroad, mostly for America, paying therefor ₱34,705.04, or an increase of 486 (27 per cent) in the number of messages and ₱5,667.41 (19 per cent) in the amount of tolls, the number of messages in 1924 being 1,777 and the tolls ₱29,037.63, respectively. There were turned over to us by this company 3,870 messages for transmission to the Provinces, paying therefor ₱6,285.67, or an increase of 723 (23 per cent) in the number of messages and 1,255.18 (24 per cent) in the amount of tolls, as compared with the previous year's figures.

This company, as well as the Eastern Extension, has made an arrangement with the bureau of posts, effective February 1, 1925, whereby the latter will not collect from the public the charge of ₱0.04 on cablegrams filed with them, as the companies will pay them to the said bureau.

Naval Communication Service.—We handled via the Naval Communication Service a total of 6,815 radiograms for and from ships and abroad, as against 12,054 in the previous year, or a decrease of 5,239 (43.4 per cent). It seems that the decrease has been due to the reduction of rates of the Commercial Pacific Cable Co. and to the discontinuance of the handling by the naval radio station at Cavite of commercial radiograms for and from ships as a result of the granting of franchise and certificate of public convenience to the Far Eastern Radio (Inc.), Manila.

MONEY-ORDER SERVICE

The following is a statement of money-order transactions during the year:

	Total number of orders	Total amount	Per capita
MONEY ORDERS			
1. Orders issued and payable in the Philippine Islands.....	947, 786	₱45, 582, 415. 10	₱3. 84
Fees on above.....		245, 814. 69	.021
2. Orders issued payable in the United States and foreign countries.....	74, 313	1, 556, 844. 98	.13
Fees on above.....		18, 625. 34	.001
3. Total orders issued.....	1, 022, 099	47, 139, 260. 08	3. 97
Total fees collected.....		264, 440. 03	.22
4. Domestic orders paid.....	923, 768	45, 412, 234. 34	3. 83
5. United States and foreign money orders paid.....	56, 658	5, 365, 542. 24	.45
6. Total orders paid.....	980, 426	50, 777, 776. 58	4. 28
DOMESTIC TELEGRAPHIC TRANSFERS			
7. Transfers issued.....	83, 120	12, 975, 349. 73	1. 09
8. Fees collected on above.....		59, 118. 35	.005
9. Transfers paid.....	71, 864	13, 182, 084. 20	1. 11

The total number of orders issued was 1,022,099, as against 953,880 for the previous year, an increase of 68,219, or 7 per cent. The aggregate value of these orders was ₱47,139,260.08, as against ₱42,328,046.77 for the previous year, an increase of ₱4,811,213.31, or 11 per cent. The fees received for these orders amounted to ₱264,440.03, as against ₱237,052.59 in the previous year, an increase of ₱27,387.44, or 11 per cent.

The total number of domestic and foreign money orders paid and repaid in this service was 980,426, as against 846,651 in the previous year, an increase of 133,775, or 16 per cent, and the aggregate value of these orders was ₱50,777,776.58, as against ₱43,805,756.38 in the previous year, an increase of ₱6,972,020.20, or 15 per cent.

During the year the value of money orders sent out of the Philippine Islands was ₱1,556,884.98, as against ₱2,596,507.44 in the previous year, a decrease of ₱1,039,662.46. On the other hand, the value of United States and foreign money orders paid in this service registered an increase of ₱1,235,745.22 over the previous year, the amount paid being ₱5,365,542.24, as against ₱4,129,797.02 in the previous year. At the close of the year the balance of the exchange of money orders with the United States and other foreign countries was in favor of the Philippines by ₱3,808,697.26.

Telegraphic transfer service.—The total number of transfers issued during the year was 83,120, as against 79,151 for the previous year, an increase of 3,969, or 5 per cent. The aggregate value of these transfers was ₱12,975,349.73, as against ₱11,248,148.52 for the previous year, an increase of ₱1,727,201.21, or 15 per cent. The fees received for those transfers amounted to ₱59,118.35, as against ₱56,062.62 for the previous year, an increase of ₱3,055.73, or 5 per cent. The fees do not include the tolls for telegraphic transfer messages.

The total number of transfers paid was 71,864, as against 70,091 for the previous year, an increase of 1,773, or 2½ per cent. The aggregate value of these transfers was ₱13,182,084.20, as against ₱12,330,162.35 for the previous year, or an increase of ₱851,921.85, or 7 per cent.

POSTAL SAVINGS BANK

Deposits and accounts.—At the close of the year there were 176,056 depositors, with total deposits amounting to ₱5,882,641.29, an increase over the previous year of 8,431 depositors (5 per cent) and ₱252,081.87 in amount of deposits (4.5 per cent). Of these accounts 168,905 were by Filipino depositors, an increase of 8,403 over last year, or 5 per cent, and the rest by Americans, Europeans, and other orientals.

The average deposit on each account during the year was ₱33.41, while the per capita deposit was ₱0.49.

The number of new accounts opened was 20,717, an increase of 1,768, or 9 per cent, while the number of accounts closed was 12,286, a decrease of 1,604, or 11 per cent. The withdrawals numbered 78,024, valued at ₱4,725,001.50, as against 80,972, valued at ₱4,433,932.67 for 1924, a decrease of 2,948, or 3 per cent, in the number of withdrawals, and an increase of ₱29,068.83, or 6 per cent, in the value of withdrawals.

The total income amounted to ₱353,105.17, an increase of ₱55,109.42, or 18 per cent over that of the previous year. The cost of administration was ₱98,678.03, as against ₱96,145.08 of the previous year, an increase of ₱2,532.95, or 2 per cent. The net earnings amounted to ₱119,161.65, showing an increase of ₱23,071.59, or 24 per cent. The reserve fund thus increased by the net earning amounted to ₱551,010.77 at the close of the year.

The relative proportion of operating expenditures to the amount of the annual deposits is 0.0089 per cent. In other words, the postal savings bank spends for the cost of administration less than 1 centavo for every 1 peso of deposit.

Investment.—The investment of the funds of the postal savings bank were distributed as follows:

Philippine Railway Co. bonds, at 4 per cent.....	₱505,000.00
Manila Railroad Co. bonds, at 4 per cent.....	323,875.50
Bonds of the city of Manila, at 4 per cent.....	460,000.00
Foreclosed mortgage property, lands, and building.....	102,439.71
Real-estate mortgages, at 7 and 9 per cent.....	2,600,760.57
Retirement gratuities, at 6 and 9 per cent.....	4,200.34
Loan to Provinces and municipalities, at 5 per cent.....	1,177,466.00
Total.....	5,173,742.12

The balance of the loan to the insular government in the sum of ₱37,000 has been paid in full during the year.

Foreclosures.—Four mortgages, securing loans amounting to ₱88,929.64, were foreclosed and the properties involved were bought by the bank. Two of these foreclosed properties were later sold for ₱26,500 at no loss to the bank.

Deposit of surplus funds.—All surplus funds of the postal savings bank are now being deposited in the Philippine National Bank, with interest at 4½ per cent per annum. The sum of ₱19,976.25 was credited as interest to our deposit account of ₱1,050,000 deposited between April to December, 1925.

FINANCIAL STATEMENT

The revenues of the bureau of posts for the fiscal year ended December 31, 1925, amounted to ₱4,130,412.35, showing an increase of ₱401,731.49 over the revenue for the year 1924, or 10.7 per cent. The total expenditure during year under review is ₱3,411,135.07, which is ₱9,472.62 less than the total expenditure for 1924, or 0.3 per cent. The net operating profit of the bureau for 1925 is ₱719,277.28, which is ₱411,204.11 more than the previous year, or 133.4 per cent.

Comparative statement of revenues

	Fiscal year 1924	Fiscal year 1925	Increase (+) or decrease (-)	Percent- age
Stamp sales.....	₱1,657,720.22	₱1,977,614.63	+₱319,894.41	19.2
Second-class postage.....	39,341.42	43,614.02	+4,272.60	10.9
Third-class postage.....	24.52	9,323.32	+9,298.80	379.23
Box rents.....	61,553.10	68,959.34	+7,406.24	12
Miscellaneous postal receipts.....	12,180.88	19,875.38	+7,694.50	63.1
Money-order fees.....	293,115.21	323,558.38	+30,443.17	10.3
State money orders.....	15,976.96	12,461.40	-3,515.56	22
Telegraph tolls.....	1,333,702.13	1,414,006.89	+80,304.76	6
Miscellaneous telegraph receipts.....	8,981.50	9,508.54	+527.04	5.8
Interests on investments and securities of the postal savings bank.....	295,451.41	335,983.12	+40,531.71	13.7
Interests paid to the depositors of the postal savings bank.....	-118,528.25	-122,497.85	-3,969.60	3.3
Incidental receipts of the postal savings bank.....	27,164.72	24,621.23	-2,543.49	9.3
Sales of fixed assets.....	4,962.82	7,438.81	+2,475.99	49.8
Administrative fines and forfeitures.....	342.41	440.04	+97.63	28.5
Prior year's expense.....	94,102.76	4,681.35	-89,421.41	95
Inventory adjustment.....	2,332.82	403.67	-1,929.15	82.6
Sales income.....	256.23	420.08	+163.85	63.9
Total.....	3,728,680.86	4,130,412.35	+401,731.49	10.7

From the foregoing it will be seen that the year 1925 has been a very successful one, increases having been recorded in all items except in a few incidental income. The income in stamp sales registered one of the biggest jumps from ₱1,657,720.22 to ₱1,977,614.63, or an increase of ₱319,894.41, or 19.2 per cent. An increase of ₱30,443.17, or 10.3 per cent was recorded in money-order fees; ₱80,304.76, or 6 per cent, in telegraph tolls; ₱40,531.71, or 13.7 per cent, in interest on investments and securities.

Comparative statement of expenditures as shown in the trial balance

	Fiscal year 1924	Fiscal year 1925	Increase (+) or decrease (-)	Percent- age
Salaries and wages.....	₱1,796,883.13	₱1,840,976.53	+₱44,093.40	2.4
Traveling expenses of personnel.....	108,705.40	114,614.46	+5,909.06	5.4
Freight, express, and delivery service.....	604,096.83	654,961.45	+50,864.62	8.4
Telephone and cable service.....	9,424.73	10,184.35	+759.62	8
Illumination and power service.....	20,493.46	20,811.84	+318.38	1.6
Rental of buildings and grounds.....	70,578.80	64,485.98	-6,092.82	8.6
Consumption of supplies and materials.....	515,159.99	490,040.79	-25,119.20	4.8
Printing and binding.....	74,356.48	32,495.86	-41,860.62	56.3
Maintenance and repair.....	82,275.42	103,483.05	+21,207.63	25.7
Other expenses.....	20,495.20	33,283.28	+12,788.08	62.3
Total.....	3,302,469.44	3,365,337.59	+62,868.15	1.9
Acquisition of fixed assets.....	118,138.25	45,797.48	-72,340.77	61.2
Total expenditures.....	3,420,607.69	3,411,135.07	-9,472.62	.3

BUREAU OF SUPPLY

MIGUEL CUADERNO, *Purchasing Agent*

ORGANIZATION AND PERSONNEL

There were no important changes in organization and personnel, except as herein mentioned. There were 18 watchmen and 183 semiskilled and unskilled laborers, a total of 201 on December 31, 1925, as against 230 on the same date of the previous year, or a decrease of 29.

SALES

The sales during the year aggregated a total of ₱18,524,994.39, which were 13.1 per cent less than those of the year 1924. The following tables gives the distribution of sales made during 1925 as compared with those of the year 1924:

	1925	1924	Increase (+); decrease (-)
Insular government.....	₱7,094,415.80	₱8,761,325.73	- ₱1,666,909.93
Cities of Manila and Baguio.....	674,155.30	776,577.57	-102,422.27
Provincial government.....	2,682,339.26	2,505,476.43	+176,862.83
Municipal government.....	893,944.06	929,008.56	-35,064.50
Philippine Sugar Centrals Agency (Philippine National Bank).....	7,146,798.04	8,312,512.40	-1,165,714.36
Semigovernmental institutions and private parties.....	33,341.93	34,886.99	-1,545.06

As may be seen from the above table, there has been a general decrease in the sales to all branches of the government. The sales to the Philippine Sugar Centrals Agency showed a decrease of ₱1,165,714.36. The decrease in the insular government accounts was due to the reduced demand for supplies for Pier 7, the sales to the bureau of public works during the year aggregating a total of ₱1,610,480.28 only, as against ₱2,868,215.96 of the year 1924.

PURCHASES

Supplies and materials purchased during the year, including those obtained by the different branches of the government under the "direct order and payment system," amounted to ₱19,307,653.36, as compared with ₱20,663,769.64 of the previous year, or a decrease of ₱1,356,116.28, which is equivalent to 6.56 per cent. The purchases are distributed as follows:

	Amount	Per cent
From the local market or through local merchants.....	₱16,665,388.95	86.32
From the United States through the purchasing agent in New York.....	2,259,733.81	11.70
From foreign countries.....	382,530.60	1.98

Purchases from the local market are made strictly on competitive bidding, except in cases of real emergency and of minor items which involve insignificant amounts. As a rule, circular proposals inviting bids for supplies needed by the government are sent to prospective bidders and are published in the Official Gazette thrice before the opening of the bids. In cases where this can not be done on account of the urgent demand by requisitioners, daily requests for prices are sent out to prospective bidders and the bids are opened at the stated time in the presence of competing bidders.

REQUISITIONS

The number of requisitions received during the year amounted to 23,825, as compared with 24,060 of the previous year, or a decrease of 235. The following table shows the origin of the requisitions received during the year as compared with those of the previous year:

	1925	1924	Increase (+) or de- crease (-)
Insular government.....	8,503	7,778	+725
Cities of Manila and Baguio.....	1,015	978	+377
Provincial and municipal governments.....	12,065	12,326	-261
Philippine Sugar Centrals Agency.....	2,043	2,452	-409
Miscellaneous.....	199	526	-327
Total.....	23,825	24,060	-235

Accounting.—To give an idea of the accounting work involved in filling the requisitions received during the year, the following figures are given:

Twenty-two thousand seven hundred and thirty-five issue orders on the different warehouses containing approximately 90,940 items were prepared: 88,935 buyer's orders, 1,985 letter orders, and 365 awards on 139 circular proposals were made; 1,040 orders to the purchasing agent at New York and 49 to foreign countries were made; 25,870 bills of lading, covering shipments of 17,701 tons of cargo by interisland steamers and 16,696 tons by rail through the Manila Railroad Co., were made; 94,096 bills for payment were verified and 18,875 treasury warrants were drawn on the insular treasury; 42,981 vouchers were rendered against the different branches of the government for supplies and materials delivered to them, and the payments received aggregated a total of ₱17,419,093.72 and were covered by 4,681 official receipts.

Manual labor.—An idea may be had of the manual labor required to handle the business of the bureau when it is taken into consideration that deliveries made during the year amounted to 67,094 tons, divided as follows:

	Tons
By interisland steamers.....	17,701
By land.....	17,696
By delivery trucks within the city limits.....	31,674
To United States and other foreign countries.....	23

Of cement alone, 76,208 barrels were issued, and of coal the amount of 15,813 tons were moved.

STOCK

The value of the stock on hand on December 31, 1925, amounted to ₱851,710.03, as compared with that of December 31, 1924, which amounted to ₱1,185,267.85. The stock on hand could have been further reduced were it not for the fact that, under the present circumstances, it is essential that sufficient quantities of supplies and materials which are regularly and permanently needed by the government be maintained in the warehouses, in order that such supplies and materials may be furnished the different offices with the least possible delay and at prices considerably lower than if bought in small quantities and at different times.

The following figures indicate the efforts made toward gradual reduction of stock:

Stock of supplies and materials—gradual reduction

Dec. 31—		Dec. 31—Continued.	
1920.....	₱5,339,196.93	1923.....	₱2,388,747.87
1921.....	4,974,700.37	1924.....	1,185,267.85
1922.....	3,222,154.24	1925.....	859,497.90

Lumber yard and sawmill.—The discontinuance of this section of the bureau having been decided upon, no new stocks of lumber were bought during the year, and every effort was made to dispose of those remaining on December 31, 1924. As a result, of the 209,151 board feet of lumber which were on hand on that date, 124,851 board feet were sold during the year, which left but a small balance of 84,300 board feet at the close of the year 1925. This constitutes the odds and ends of the big stocks of lumber which at a time amounted to over 3,000,000 board feet.

COST OF OPERATION

Efforts toward further economy resulted in a decrease in the general expenses of the bureau to the amount of ₱30,239.66. The saving in salaries and wages amounted to ₱23,274.92 and in general expenses ₱6,964.74.

The following figures are proof eloquent of the constant efforts to reduce the cost of operation of this bureau:

	Appropriation	Amount actually expended		Appropriation	Amount actually expended
1920.....	₱607,725.00	₱503,384.94	1924.....	₱351,187.00	₱341,437.22
1921.....	567,270.00	483,644.10	1925.....	343,758.00	311,098.21
1922.....	450,872.00	406,067.21	1926.....	310,524.00	
1923.....	371,587.00	331,514.45			

While considerable economies have been effected, the volume of work of the bureau since 1917 has increased by 150 per cent. Average sales between 1913 and 1917 annually was ₱6,000,000; the average between 1918 and 1925 was ₱15,000,000.

FINANCIAL STATEMENT

The income from surcharges amounted to ₱622,825.96 and other miscellaneous income to ₱48,242.73, or a gross income of ₱671,068.69. The operating expenses were ₱321,952.06, thus giving a net income of ₱349,116.63. The extraordinary losses, most of which are chargeable to prior year operation and the losses from revaluation of sales stock, for which a special appropriation is provided for by Act No. 3065, aggregated a total of ₱89,352.83, which, if taken from the net gain from current year operation, will still leave a net profit of ₱259,763.80, as compared with ₱254,061.91 for the year 1924, or an increase of ₱5,701.89.

THE DIVISION OF COLD STORAGE AND ICE PLANT

There has been a general decrease in the sale of the commodities produced by the division due to the establishment of branches of the San Miguel brewery in several important towns along the railroad lines. The following table shows the earnings of the division of cold storage and ice plant as compared with those of the year 1924:

	1925	1924	Decrease
Cold storage.....	₱185,987.09	₱194,091.24	₱8,104.15
Ice.....	324,577.59	347,911.05	23,333.46
Water.....	65,972.28	77,896.20	11,923.92
Electric current.....	4,939.77	6,927.27	1,987.50
Miscellaneous.....	8,309.04	10,191.06	1,882.02
Total.....	589,785.77	637,016.82	47,231.05

The decrease in the rentals from cold storage was due to the competition waged against the division by a privately owned cold storage by offering certain inducements to customers to gain their patronage. This inducement consisted in giving secret discounts and free transportation within the city limits which are not authorized by the public utility commission. At the bureau's request this matter was investigated by the commission and was duly established by the facts of the case. The public utility concerned was therefore obliged to ask for a reduction in the rates, thus enabling the division to make similar reduction for the benefit of the general public. The division of cold storage and ice plant is strictly prohibited by law from engaging in competition with privately owned concerns. This prevents it from offering lower rates than those charged by private institutions, and is, therefore, at a disadvantage whenever secret discounts or privileges are accorded by the private concern which, at

the same time, works as a discrimination in favor of a few to the disadvantage of others. To compensate the reduction in the earnings of the division of cold storage and ice plant, every effort was exerted to reduce the expenses of the division, which resulted in a decrease of ₱39,756.04 as compared with the expenses of the previous year. The total operating income of ₱589,785.77 and the expenditures of ₱413,093.61, or a net gain of ₱176,692.16, was made during the year, which, compared with ₱184,167.17 of the previous year, shows a decrease of ₱7,475.01 only. The biggest saving was made in the items of coal and ammonia, for which the amounts of ₱193,543.19 and ₱15,071.81, respectively, were expended during the year, as against ₱210,463.13 and ₱29,863.99 for the year 1924, or a total decrease of ₱31,712.12 in the two items of coal and ammonia.

The mechanical stoker bought in the year 1924 was installed in the middle of the year 1925 and has since been operated with the coal produced by the National Coal Co., and has proved to be entirely satisfactory.

BUREAU OF COMMERCE AND INDUSTRY

FIDEL A. REYES, director

ORGANIZATION AND PERSONNEL

There were practically no changes in organization and permanent personnel of the bureau in 1925, except the nominal split of the division of navigation and lighthouses into the division of navigation and the division of lighthouses. The number of persons in the classified service remained at 242, as it was in 1924. However, the number of unclassified employments increased from 705 in the preceding year to 747 in 1925. These were mostly laborers and sailors employed in the shops and ships operated by the bureau.

RESEARCH WORK

During the year 295 commercial and industrial investigations were conducted by the agents of the research division in response to specific local and foreign inquiries and other purposes covering a very wide range and diversity of subjects, some of which deal with materials for rugs, caulking, lumbang, nipa, paper pulp, importers of certain articles, baskets, fans, lime, demijohns, cordage, twine, Ilocano cloth, camoteng cahoy, rattan, chalk, starch, coco coir, salt, ulalo, edible bird's nests, beverages, indigo, box makers, glass, mother-of-pearl, ticug, fruits, cutlery, distillery, fiji cloth, kapok, sugar, diamond, castor, clay, rice, tobacco, ice, medicinal plants, poultry, sulphur, freight, iron, aviary dealers, sulphate of ammonia, vinegar, molasses, sari-sari business, etc.

The 1925 directory of industrial establishments was completed and published in the Commerce and Industry Journal, a monthly edited by the office.

Promotion work.—Through the initiative and work of the agents of the bureau there were established among the tobacco growers in the Cagayan Valley two cooperative marketing associations. These associations greatly relieved the planters from the impositions of unnecessary and unscrupulous buyers and middlemen who often dictated their own terms and prices. All the tobacco sold by the associations was paid in full, contrary to the old practice of deferring payments or paying by installments and making unjust reductions based on arbitrary change of previously agreed classification after delivery had been made. Money in cash was brought to the homes of the members of the associations immediately after delivery of their tobacco. This benefit saved the farmers a considerable amount of trouble and worry in their dealings with local buyers. While it is true that the evils which tend to retard the progress of the tobacco industry and which are sought to be done away with by the establishment of cooperative associations have not yet been completely eliminated in the sections where these unions operate, the results so far accomplished are very encouraging, considering the many obstacles put in the way by opposing interests. A plan has been worked out whereby more unions could be established in several places in the valley before the next buying season, which would be by the second quarter of 1926.

GENERAL TRADE INFORMATION SERVICE

As in previous years, the commercial division has answered all sorts of inquiries and undertaken the general commercial publicity work of the bureau during 1925. It prepared and released press articles which apprised the general public of the local business possibilities and opportunities, of conditions obtaining in the principal markets for Philippine products, and of other miscellaneous commercial and industrial data and information useful to the business public.

Correspondence received and acted upon.—During the year 1925 the commercial division received from different government entities, firms, persons, and corporations, both here and abroad, a total of 1,962 pieces of mail matter covering a wide range of subjects.

Correspondence prepared and released.—During the period covered by this report the division prepared and released a considerable amount of correspondence, most of which comprised answers to inquiries coming from different parties asking for some trade data and information. They were composed of 1,612 letters, 50 circular letters, 108 indorsements, 107 telegrams, 7 memoranda, 73 trade opportunities, 172 press notes, and 281 market (quotations) reports.

To the following regions, domestic and foreign, were sent the miscellaneous data and information collected and prepared by the commercial division upon request:

Where sent	Number	Where sent	Number
Domestic (Philippine Islands):		Foreign:	
Iloilo commercial agency.....	65	United States—	
Cebu commercial agency.....	61	New York agency.....	21
Abra.....	2	Philippine commercial attaché	
Agusan.....	1	at Boston.....	5
Albay.....	12	Philippine commercial attaché	
Antique.....	3	at San Francisco.....	21
Bataan.....	16	Philippine commercial attaché	
Batanes.....	2	at Seattle.....	27
Batangas.....	9	Other parts of the Union.....	250
Bohol.....	48	Alaska.....	1
Bukidnon.....	2	Africa.....	1
Bulacan.....	13	Argentina.....	3
Cagayan.....	9	Australasia.....	8
Camarines Norte.....	3	Austria.....	2
Camarines Sur.....	9	Belgium.....	2
Capiz.....	21	British North Borneo.....	1
Cavite.....	14	Canada.....	1
Cebu.....	23	Canal Zone.....	1
Corregidor.....	2	Canaries.....	1
Cotabato.....	3	China.....	23
Davao.....	13	Cuba.....	1
Ilocos Norte.....	8	Czechoslovak Republic.....	3
Ilocos Sur.....	11	Denmark.....	2
Iloilo.....	25	Dutch East Indies.....	3
Isabela.....	10	France.....	6
Laguna.....	33	French Indo-China.....	9
Lanso.....	5	Spain.....	15
La Union.....	13	Straits Settlements.....	5
Leyte.....	7	Sweden.....	3
Manila.....	611	Switzerland.....	3
Marinduque.....	1	United Kingdom.....	13
Masbate.....	5	Germany.....	16
Mindoro.....	4	Gibraltar.....	1
Misamis.....	11	Hawaii.....	4
Mountain Province.....	2	Holland.....	1
Nueva Ecija.....	12	Hongkong.....	13
Nueva Vizcaya.....	1	India.....	13
Occidental Negros.....	29	Italy.....	4
Oriental Negros.....	9	Japan.....	11
Palawan.....	6	Java.....	2
Pampanga.....	8	Mexico.....	1
Pangasinan.....	21	Norway.....	1
Rizal.....	20	Porto Rico.....	1
Romblon.....	6	Portugal.....	7
Samar.....	7	Samos.....	1
Sorsogon.....	10	South Africa.....	1
Sulu.....	9		
Surigao.....	11		
Tarlac.....	16		
Tayabas.....	31		
Zambales.....	10		
Zamboanga.....	15		

Trade opportunities.—During the year 1925, 73 "trade opportunities" were published. Seven thousand copies in both English and Spanish, or an average of 96 copies for each trade opportunity, were issued. Forty-three verbal and 131 written inquiries coming from different parts of the islands and the United States as well have been received in answer thereto. The following is a recapitulation of business connections sought by means of the publication of trade opportunity notices released by this division during 1925:

Belgium.....	2	Spain.....	6
China.....	2	Sweden.....	1
Czechoslovakia.....	1	United Kingdom.....	2
Germany.....	4	United States.....	40
India.....	2	Different parts of the Philippine	
Italy.....	3	Islands.....	7
Japan.....	2		
Norway.....	1	Total.....	73

Important callers.—As in previous years, the commercial division received and attended many calls for miscellaneous commercial and industrial data and information. These callers were composed of business men, government officials, representatives of the local consular offices and business houses, tourists and other travelers, local merchants and manufacturers, professionals, students, etc.

Commerce and Industry Journal.—In January, 1925, the first issue of Commerce and Industry Journal, a new monthly publication of the bureau, appeared. Through this publication the bureau has endeavored during the year not only to acquaint the public with such services as it is in a position to offer but also to release from time to time current information bearing on Philippine industry and trade.

Among the regular features of the Journal are articles on the commercial possibilities of new Philippine industries, a monthly review of the trends and movements of prices and of the general conditions prevailing in the markets for Philippine products, complete lists of new trade opportunities, new stock corporations registered each month to do business in the Philippines, new trade-marks and trade names registered from time to time, trends in the quotations of foreign exchange, statistics on weekly wholesale prices of important articles, statistical diagrams and charts, special articles, and new items on varied subjects of industry, finance, and trade.

The staff of the Journal is composed of the director of the bureau as managing editor and the chiefs of the research division and of the editorial section as associate editors. Different divisions and sections of the bureau, especially the commercial, research, statistics, mercantile register, and the markets section, cooperate in supplying the materials for the publication. The actual preparation of the publication, which has a circulation of about 1,500 copies, is done by the editorial section of the commercial division. The chief of the research division is in charge of its management.

MARKET-INFORMATION SERVICE (MARKETS SECTION)

Local quotation service.—Within the period covered by this report there were prepared and released 72,960 copies of Manila daily market report, 34,724 copies of Manila weekly market report, 1,020 copies of Manila monthly market report, and 156 special market quotation reports. Compared in number with those of the previous year, they are as follows:

	1925	1924 ¹
English Manila daily market report.....	44, 080	33, 220
Spanish Manila daily market report.....	28, 880	25, 368
English Manila weekly market report.....	23, 700	22, 724
Distributed in Philippine Islands.....	16, 582	15, 392
Sent to United States.....	5, 610	5, 824
Sent to foreign countries.....	1, 508	1, 508
Spanish Manila weekly market report.....	11, 024	11, 332
English Manila monthly market report.....	540	348
Spanish Manila monthly market report.....	480	348
Spanish copies of Manila Tuesday market report.....	52	52
English fortnightly compilation of New York sugar prices and Philippine Islands sugar exports.....	104	104

The substantial increase in the total number of copies released is but an expression of the growing interest and increasing usefulness of the quotation service, not only to producers but to merchants and middlemen as well. The Manila weekly report issued on Wednesdays and the fortnightly compilations of data on sugar exportation have not undergone any change, they being our regular contributions to the Philippines Free Press and the Sugar News, respectively.

Foreign market quotation service.—Cable quotations for leading grades of Philippine products in New York, London, and Hongkong were, as formerly, received weekly. Based on these cables, 13,624 copies of press notes, of which 7,020 were in English and 6,604 in Spanish, were prepared and released, showing a total increase of 4,420 copies, compared with the total number released during the preceding year, a fact indicating the appreciation of the general public for this service.

Special market information.—Inquiries from interested parties in the form of correspondence, personal interviews, and telephone calls were answered in addition to the foregoing service. To answer their inquiries, market investigations and reports were made on various subject matters involved.

Foreign exchanges.—The work of collecting the prevailing rates of exchange on foreign currencies in the local money market, both buying and selling, has been continued by the markets section. As in the past, this has enabled us to answer requests for rates of foreign currencies prevailing at certain periods in the past and rendered more accurate the conversion of the cablegraphic reports from New York, London, and Hongkong into their equivalents in the local denominations.

Tourist service.—This activity of the bureau is being handled by a force of five regular guides, who board incoming passenger vessels to meet tourists, commercial travelers, and prominent visitors. A branch office of the section is being maintained in the lobby of the Manila Hotel for the convenience of foreign visitors lodging in the hotel who might be in need of guides during their sojourn in the city. The guides planned and conducted tours for visitors not only within the city limits, but likewise to different objects of tourist travel in the Provinces.

In connection with the service the guides have at their disposal several prepared publications on the Philippines especially made for distribution among tourists free of charge, such as an information folder giving a list of several points of interest in and near the city of Manila worth visiting, the Tourist Handbook of the Philippine Islands, and Miss Philippine is Calling You. The last-named publication is the latest tourist folder of this bureau. Forty thousand copies were printed, one-half of which have been sent already to the United States for distribution in hotel lobbies and shipping and railway offices.

The following gives a summary of the work accomplished during the year 1925, as compared with that of 1924:

	1925	1924
Total number of persons guided, including those in the round-the-world cruises.....	2,588	2,523
Total number of persons traveling independently.....	394	373
Total number of vessels boarded by guides.....	150	183

During the year under review 5 round-the-world cruises called at this port against the same number in 1924. They brought in a total of 2,194 tourists, as against 2,150 in 1924, an increase of 44. As in previous years, extra guides, mostly students, in addition to the actual force of the tourist section, were employed to handle these big parties.

The summary given above shows that a total of 394 persons visited the islands in 1925 aside from those that came on the round-the-world cruises, as against 373 in 1924. A great many of these that traveled independently came to the islands purely on business and some on a combined pleasure and business trip.

New York commercial agency.—The agency practically handled the same quantity of work it had last year. There has been a slight decrease in the amount of correspondence handled, as well as in the number of callers for trade inquiry, but there has been a great increase in the number of publica-

tions sent out by the agency and in the number of trade papers received as a result of more contact with commercial organizations and trade bodies in the United States as well as with the foreign representatives of various countries, such as consuls and commercial attachés.

During the calendar year ending December 31, 1925, 34 trade connections and trade opportunities were handled by the New York office. These cover 41 different subjects. All of them were forwarded to the Manila office for the information of interested parties.

The total number of pieces of correspondence handled during the year is 1,866, of which 721 represent letters received and 1,145 letters sent out.

The outgoing correspondence is classified as follows: Trade information, 1,076; form letters and circulars, 242; trade connections and opportunities, 35; official communications, 46; letters of appreciation and acknowledgment, 129; letters of indorsement, 12; and unclassified correspondence, 326; or a total of 1,866 letters. The incoming correspondence consisted of the following: Trade inquiries, 249; trade connections and opportunities, 30; incoming information, 197; official communications, 2; letters of appreciation and acknowledgment, 97; and unclassified matters, 146; or a total of 721 letters.

The number of persons that called at the office for trade inquiry was 164, distributed as follows: Laws, 12; agricultural and industrial, 53; imports and exports, 20; and miscellaneous, 79.

Weekly cables on New York market conditions for Philippine staples were regularly forwarded to Manila during the year. The products covered are hemp, sugar, coconut oil, copra, desiccated coconut, embroidery, and cigars. The markets section of this bureau prepared, as usual, press notes on these cables for the local press.

Commercial attaché at Seattle.—The number of specific inquiries for trade and allied information handled during the year under review was 1,433, as compared with 868 for the previous year, an increase of 65 per cent. Callers for the year 1925 totaled 736, representing an increase over the preceding year of 37.5 per cent. These facts are indicative of the growing interest on the part of business men in the Pacific Northwest section of the United States in Philippine trade. In many instances the information furnished could not have been available except through this office.

Taking only the commodity classification of the inquiries separately, it will be noted that 282 were regarding Philippine export products and 367 were on Pacific Northwest export items to the Philippines. We have therefore taken the trade-promotion work in this respect from both angles about equally, although not intentionally. Based on the number of inquiries received for the year 1925, the Philippine exports in which the Pacific Northwest section of the United States is interested most are: Philippine hardwoods, 114; coconut products (copra, copra cake, soap, desiccated coconut, and coconut oil), 101; hand-woven products of the Philippines (embroideries, coir-fiber mats, shopping bags, hearth brushes, shell craft, baskets, slippers, etc.), 58; abaca and cordage, 44; sugar, 38; and cigars, 26.

The commodities in which local business is most anxious to develop an export trade for the Philippines are: General manufactured articles, 136; machinery and other iron and steel goods, 111; fish products, especially canned salmon, 44; fruit and produce, 43; evaporated milk and other dairy products, 18; and wheat flour, 15.

Commercial attaché at San Francisco.—During the year there were 390 calls made and callers received by the commercial attaché at San Francisco, as against 325 in 1924. These calls and callers involved various subject matters.

Along the line of trade promotion, the following specific instances show some of the accomplishments of the office:

1. It was largely instrumental in bringing Fernandez Hermanos, of Manila, and the Gilmore Oil Co., of Los Angeles, Calif., into communication with each other for the importation into the Philippines of crude oil.

2. Suitable connections in the Philippines were furnished a certain Mr. Garcia, a South American business man; a certain Mr. Rigby, a former resident of the islands; and Mr. William J. Jaeger, a furniture dealer, who were all interested in Philippine hats.

3. It succeeded in inducing the Mulky Mattress Co., of Oakland, Calif., a big importer of Java kapok, to import Philippine kapok.

4. It interested the Riggs Optical Co., of San Francisco, to extend its business operations to the Philippines. This company is reported to be considering the advisability of opening a branch in Manila.

5. Mr. Leslie B. Newman, leading importer of Hongkong rattan furniture at the Pacific coast, and Mr. H. R. Andreas, of Manila, local manufacturer of high-grade rattan furniture, were put in touch with each other. Mr. Newman, it is reported, imported a good volume of rattan furniture as a result of the connection.

6. The Herbst Brothers, of San Francisco, who wanted to import Philippine birds, were put in touch with the proper parties.

7. The Hudson Manufacturing Co., of Minneapolis, Minn., manufacturers of sprayers, was induced to consider the Philippine market with its products. This company is contemplating to enter the Philippine field.

8. The commercial attaché has been able to interest several paper manufacturers at the Pacific coast to try the caña-boja paper pulp manufactured by the Manila Pulp & Paper Co. Said manufacturers have requested samples of the pulp in question.

9. The A. Eisenberg & Co., wholesale jewelers of San Francisco, were encouraged to send their representative to the Philippine Islands. Said representative was sent over to the islands with the result that within a period of three months' stay in Manila, he realized a volume of business amounting to \$50,000.

10. The Carasse-Leonard (Inc.), of Los Angeles, was furnished a connection in the Philippines. The connection so furnished turned in a business amounting to \$32,000 at the close of the year, with brighter prospects still for the ensuing year.

Cebu commercial agency.—As in previous years, the principal activities of this agency during the year under review consisted of the following:

1. The publication of a weekly report that contains the exports from the port of Cebu and their destinations, quotations and market conditions of the various products, and articles marketed at Cebu.

2. The publication of a monthly bulletin that contains the imports into the port of Cebu and the countries or Provinces of origin, the exports to foreign and other domestic ports, and the general quotations at Cebu of various articles.

3. Answering all questions seeking for commercial and industrial information.

4. Keeping the business public in his district in touch with the movements not only of the market of Cebu, but also of Manila, Iloilo, and foreign countries.

5. Making such investigations and reports as were required by the central office and by any other branch of the government.

6. Reporting monthly on copra arrivals in Cebu by water and their origin, on the total cargoes brought by vessels into the port of Cebu from foreign countries and other domestic ports, on the total volume of traffic carried by the Cebu railroad line, and on exports of copra and coconut oil from Cebu port to United States and to Europe.

The agency also published during the year a classified trade directory of the city of Cebu containing the names and addresses of all commercial firms, traders, and professionals, as it had heretofore done every year.

Iloilo commercial agency.—This agency undertakes practically the same kind of work as the Cebu agency. Records kept show that there was more work accomplished by the Iloilo commercial agency in 1925 than in previous years. There were more inquiries received and answered, more contacts made with merchants and other persons inside and outside the district, and more reports written on various topics. In short, there was in 1925 a wider scope of activities with a bigger volume of work incident thereto than in 1925, or in any previous year.

STATISTICS DIVISION

The work of the statistics division is to acquire, collect, compile, systematize, publish, distribute, and furnish statistical data and information relative to the commercial and industrial situation and movement, domestic and foreign trade of the Philippine Islands, the industries, mining and fishing, land, river, and maritime transportation, and commercial and industrial organization. The dissemination of statistical data is being made by means of the newspapers, replies to inquiries, and the publication of statistical bulletins.

Statistical Bulletin No. 7 for the year 1924 came off the press on August 20, 1925, containing the following information: Area and population, education, vital statistics, agriculture and public lands, livestock, forests, fishing, mining, labor and wages, manufacturing industries, foreign commerce, domestic

commerce, corporations and associations, prices, etc., transportation and communication, foreign shipping, domestic shipping, finance, banking and insurance, meteorological statistics, and miscellaneous matters.

Statistical Bulletin No. 8 was started during the year under review.

REGISTRATION OF MERCANTILE DOCUMENTS

Two hundred twenty-five domestic corporations with a total capital stock of ₱13,644,512, of which ₱7,120,239 was subscribed and ₱5,287,323 paid up, were registered during the year, as against 301 corporations, with a combined capital stock of ₱16,319,999 (subscribed ₱5,991,791, paid up ₱3,895,271), registered during 1924, or a decrease of 76 (25.25 per cent) in the number of corporations and of ₱2,674,488 (16.39 per cent) in the amount of capital stock.

During the year, 115 partnerships with a total capitalization of ₱5,193,755 were examined and registered as against 141 of the preceding year, with a total capitalization of ₱5,509,375. There were also examined and registered 120 powers of attorney, bills of sale, and modifications of articles of copartnership. Four documents showing increase in capital of various partnerships were examined and registered. One private merchant was also registered. Six certificates of entry and 167 certified copies of partnership papers were made and issued.

There were authorized to transact business in the Philippine Islands 7 foreign corporations (5 American, 1 Swiss, and 1 Italian) with an aggregate capital of ₱134,774,268, of which ₱83,236,768 was subscribed and fully paid up, as against 12 corporations with a total capital stock of ₱180,796,750, of which ₱157,175,297 was subscribed and paid up, licensed during 1924, or a decrease of 5 (41.67 per cent) corporations and of ₱46,022,482 (25.46 per cent) in the capital stock.

There were 574 trade-marks registered and 122 assigned during the year as against 335 and 71, respectively, of the preceding year. Only 73 certified copies of trade-mark registrations were issued as compared with 105 during the year before. It should also be noted that during the year there were 119 certified copies of United States Letters Patent recorded, while the registration during the preceding year numbered only 51. There were also 23 letters patent assigned, 21 labels examined, and 11 other miscellaneous documents filed during the year just ended.

Following is a summary of the collections made during the years 1924 and 1925 for the registration of corporations, partnerships, and patents and trade-marks:

Years	Corporations	Partnerships	Patents and trade-marks	Total
1925.....	₱15,306.66	₱6,596.50	₱28,909.50	₱50,812.66
1924.....	20,707.50	4,999.50	18,360.50	44,067.50
Increase (+) or decrease (-).....	-5,400.84	+1,597.00	+10,549.00	+6,745.16

STEAMSHIP SERVICE

Vessels in and out of commission.—The dispatch boat *Apo*, the cableship *Bustamante*, the cutters *Basilan* and *Corregidor*, the launches *Jolo* and *Ethel*, and one wooden scow were in operation during the year. The cutters *Polilio* and *Gilbert* and the launch *Rizal* were out of commission. The *Gilbert*, which has been dismantled and stored at Engineer Island during the last five years, was sold, together with her machinery to Ampil & Co., of Manila, for ₱5,600 and delivered to the purchasers on January 14, 1925. The launch *Rizal* was sold at public auction.

Trips.—During 1925 the vessels operated by this bureau made 45 trips in all, of which 3 were for cable work, 17 for lighthouse inspection and construction, 2 for leper collection, 13 for the Governor General, and the presidents of both houses of the legislature, 1 for general governmental purposes, and 9 for commercial trips. There were covered 82,290 nautical miles and 966 ports touched. There were carried 3,341 passengers, of which 684 were under courtesy trans-

portation, and 1,444.065 tons of general cargo; the coal consumed being 7,789.408 tons.

The following comparative statement shows the number of trips made, ports touched, miles traveled, and days spent on the trips by the vessels operated by this bureau for the years 1924 and 1925:

	1925	1924	Increase (+) or decrease (-)
Number of trips made.....	45	53	-8
Number of ports touched.....	966	1,085	-119
Number of miles traveled.....	82,290	79,090	+3,200
Number of days on trip.....	672	767	-95

The vessels operated during the year were used in the performance of the following duties:

1. Maintenance, inspection, and supplying of lighthouses, and the care and maintenance of buoys, beacons, and other aids to navigation.

2. Transportation of the Governor General and other high government officials.

3. The work of laying and maintaining the submarine telegraph cables.

4. The collection and segregation of lepers and transportation of the relatives of lepers visiting Culion.

5. The maintenance of steamship communication between places where sufficient and adequate steamship service is not maintained by private shipping firms.

6. The maintenance of fire launches.

7. The assistance of vessels in distress and protection of wrecked properties.

Cable.—The steamship *J. Bustamante* was maintained as a cable ship and was used by the bureau of posts in laying or repairing submarine telegraph cables. A submarine cable connecting the telephone from Laoang, Samar, to Batag Island was maintained at the expense of this bureau for the weather bureau, which has a weather observing station at Batag Lighthouse Station.

Leper trips.—More emphasis has been laid by the Philippine Health Service on the work of segregating lepers so that it was necessary to use the steamship *J. Bustamante* for the transportation of lepers from different parts of the islands to Culion in addition to the cutter *Basilan*, which is the regular leper boat. Besides the lepers, the relatives of those already in Culion were transported from the different parts of the Visayas and Mindanao to Culion and return. The transportation of lepers' relatives from Manila, Cebu, and Iloilo to Culion is done every year, but during this year more ports have been touched to accommodate visitors to Culion coming from nearly all parts of the islands. Aside from those accommodated on the visitors' trip, there were transported, without charge, between Culion and Manila a certain number of relatives of lepers every month on the regular trips of our vessels to Palawan.

Commercial trips—Batanes run.—Two commercial routes have been maintained by the vessels of this bureau during the year. Due to the lack of sufficient freight in the Batanes Islands, no commercial shipping firm could maintain regular steamship service between those islands and Manila or northern Luzon. The government therefore undertakes the work of sending a vessel to that place every three months. The other commercial line maintained by the government is between Manila and Culion and other Palawan ports where adequate steamship service has not been established by private concerns. The revenue derived from these commercial runs are very much lower than the expenses for the vessels assigned, and so to minimize the burden of the government these trips are combined with the lighthouse work as much as possible. Two scheduled trips to the Batanes Islands and three trips to the Palawan ports were not made, due to lack of vessels; two trips to Palawan ports were combined with the trip for the Philippine Health Service. The demand for lighthouse work has so increased during this year that the steamship *J. Bustamante*, which is primarily assigned for cable work, or for the Batanes trip, being the largest vessel of the fleet, had to be utilized for lighthouse purposes.

Maritime assistance.—The steamship service of this bureau, otherwise called the "coastguard service" is once in a while called upon in connection with disasters at sea, such as assistance to vessels in distress and the protection of wrecked properties.

On July 20 while the cutter *Corregidor* was at the port of Zamboanga on a lighthouse trip a distress radio message was received by the collector of customs at the port, who transmitted the news to the captain of the cutter *Corregidor*, that the English freighter *Egremont Castle* was aground at Tubbataha Reefs, Sulu Sea, since 8.15 p. m. of July 19. The captain of the cutter *Corregidor* lost no time and proceeded to Tubbataha Reefs, arriving at the scene of the disaster at 7 a. m. on July 21. The cutter *Corregidor* stood by the stranded vessel until July 26, ready to pick up her crew, while they were waiting for two steamers, one from Manila and the other from Cebu, with the salvage party which was expected to reach that place on July 23. The captain and officers of the *Egremont Castle* remained on board their vessel until the sinking of the ship became imminent. No salvage work was done by the cutter *Corregidor*, as the salvage party was expected shortly after her arrival, and besides the danger of sinking was not apparent until shortly before it occurred, which came so suddenly that only the personal effects of the crew and the ship's papers were saved. The cutter *Corregidor* left Tubbataha Reefs with the crew of the ill-fated steamer at 6.05 a. m. on July 26 and arrived in Manila at 3.40 a. m. on July 28.

Seniority list of officers.—Effective January 1, a new and revised seniority list of the officers and engineers of the vessels of this bureau was promulgated. This new list was made by the board appointed by executive order No. 46, dated September 25, 1924, composed of the director of civil service as chairman, the superintendent of navigation of this bureau, and the naval engineer of the public utility commission, who was formerly the superintendent of navigation of this bureau, to examine the status of each officer in order to determine the correct standing of the different deck and engineer officers in their respective lines, taking into consideration the services rendered by them as such officers and engineers in any branch of the insular government. As a result of the work of the board, two third officers were promoted to the position of second officer in place of two second officers, who were demoted to the position of third officer; also one second assistant engineer was promoted to the position of first assistant engineer, who was demoted to the position of second assistant engineer. There were two dismissals for the good of the service.

LIGHTHOUSE SERVICE

The aids to navigation at the beginning and at the end of the year 1925 were as follows:

	Jan. 1	Dec. 1	Increase
Lights (flashing, occulting, lantern, acetylene, and electric)	191	194	3
Buoys (gas, can, nun, and spar)	139	145	6
Beacons	76	78	2
Total	406	417	11

Of the 194 lights, 142 were watched and 52 unwatched and 136 were operated with kerosene oil, 11 with electricity, and 47 were of the automatic acetylene type.

There were established during the year the following new aids to navigation:

1. *At Casiguran, Sorsogon Bay.*—One fixed red light, small lens lantern, displayed on a 33-foot concrete pillar, established on February 26, 1925.

2. *At Pinamalayan, Mindoro.*—One fixed red light, small lens lantern, displayed on a 33-foot concrete pillar, established on August 16, 1925.

3. *At Malalag, Mindanao.*—The fixed red light, small lens lantern, in the town of Bolton, Maialag Bay, reestablished.

4. *At Port Sibulan, Mindanao.*—One second-class black can buoy and one third-class red nun buoy, marking the entrance to Port Sibulan, planted on May 19, 1925.

5. *At Zamboanga, Mindanao.*—One second-class red nun buoy, marking the point of a shoal, southeast of Zamboanga Wharf, planted on July 20, 1925.

6. *At Dumaran Bay, Palawan.*—Two third-class black can buoys and one third-class red nun buoy, planted on October 5, 1925.

At the close of the year the lighthouse service was on the whole in a very satisfactory condition. The repair work for the upkeep of lighthouse and other aids to navigation, as well as the construction of minor towers and buildings, was done under the supervision of the superintendent of our marine railway and repair shops.

Effort is being made to place the lighthouse system on a more or less permanent basis as rapidly as possible by rebuilding all structures that have passed beyond economical repair in reinforced concrete and steel. Hereafter no more temporary structures will be built except in cases of emergency. The importance and advantage of this policy may be readily understood when it is remembered that we have at present 272 structures to maintain and the cost of repairing them often amounts to several times as much as the same work would cost at Manila, Iloilo, or Cebu, owing to the isolated locations of most of the stations, which involves the transportation of materials and personnel to long distances.

Improvement of automatic apparatus and equipments.—During recent years there have been several maritime accidents. It has invariably been alleged that the disasters were due to the deficiency of the existing automatic acetylene lights. If money were available, modern and more reliable acetylene-lights should be established. In the meantime, given the lack of funds for the acquisition of more reliable acetylene lights of the latest type to substitute the present antiquated type, an improvement which consists of a double burner was perfected after several experiments in our marine railway and repair shops and installed at Tubabataha and Saluag Islands, giving very satisfactory results. About the close of the year a plan to standardize the lamps and burners used in each order of light was conceived in order to bring about improvements in the lighthouse service.

MARINE RAILWAY AND REPAIR SHOPS

Work orders.—There was a considerable decline in the number of work orders received in the shops during the year 1925, there being only 967, against 1,235 for the preceding year, but they were more important, as shown below.

The 967 work orders were distributed under the following heads:

Repairs and overhauling of coast guard cutters and motor ships-----	87
Repairs and overhauling of steam and motor launches and motor boats--	74
Repairs on dredges-----	36
Repairs on scows-----	6
Docking with laydays-----	26
Construction, repairs, and maintenance of lighthouses and lighthouse apparatus-----	146
Repairs and overhauling of automobiles and parts and motor cycles and parts-----	47
Repairs and overhauling of typewriters, adding and numbering machines, and parts-----	263
Miscellaneous repair work-----	282

Comparison of the records for the year just ended and those of the year preceding shows an increase in the number of work orders for repairs and overhauling of cutters and motor ships, the number being 69 for 1924 and 87 for 1925; decrease in the number of work orders for repairs of launches and motor

boats from 121 in 1924 to 74 in 1925; decrease in work orders for repairs of dredges from 58 in 1924 to 36 in 1925; and decrease in work orders for the construction, repairs, and maintenance of lighthouses and lighthouse apparatus from 239 in 1924 to 146 in 1925. Two new items of work that have gradually grown in importance are those of repairs of automobiles, auto trucks, motor cycles and their parts, with a total of 47 work orders, and those of repairs and overhauling of typewriters, adding and numbering machines, etc., which reached a total of 263 work orders in 1925.

Shop labor.—During the year 1925 the marine railway and repair shops carried on its pay rolls a daily average of 334 men, consisting of the superintendent and his office force, shop foremen, lighthouse machinists, shop machinists, gas fitters, outside fitters, boiler makers, coppersmiths, blacksmiths, foundry men, carpenters (their assistants and apprentices), watchmen, boatmen, power-house men, and common laborers. There were 1,107 employments and reemployments and 1,078 separations of mechanics and laborers.

Construction and repairs of lighthouses.—While a smaller number of work orders for the maintenance, construction, and repairs of lighthouses were received during the year compared with what was recorded for the preceding year, still many important projects were accomplished. Concrete beacons were built at Casiguran and Pinamalayan, and a dwelling and an oil house were completed at Bagacay. Reconstruction works were completed at the Matabao Light Station, and begun but not finished at Nogas Light Station. Extensive general repairs were made at Siete Pecados, Nanigonigo, Gigantes, Refugio, Jintotolo, Fort Mills, Agusan, Mambajao, San Pedro, Apo Reef, Matabao, Cobrador, Hermana Mayor, and Cape Engano, the two last remaining unfinished at the end of the year.

Various improvements to the lighthouse service were effected during the year 1925. The dwellings constructed during the year have been built upon plans designed to give the best protection to their occupants and provide for their comfort and convenience. These plans, prepared under the personal direction of the superintendent of the marine railway and repair shops, have been standardized.

The old condenser of the power plant was taken off and a new brass condenser with fittings put in place. The small steam turbine and hot-well tank were repaired, the engine of Dock No. 1 was repaired and adjusted, and sections of the main steam pipe were renewed. Cast-iron rolling chocks and casings and side rollers were made and installed on marine railway No. 1.

The lighting power of the lamps have been considerably increased by the use of the double burners, a device originated and perfected at Engineer Island, which, however, do not consume any more fuel than do lamps of the old type using single burners.

FINANCIAL STATEMENT

Expenses.—The expenses of the bureau, excluding the marine railway and repair shops, during the year 1925 totaled ₱1,069,467.70, or an increase of ₱49,755.59 over those for the previous year, as shown below.

	1925	1924	Increase (+); decrease (—)
Administration.....	₱93,208.44	₱102,659.86	—₱9,451.42
Trade information service.....	144,429.32	146,261.61	—1,832.29
Steamship service.....	635,361.04	597,142.61	+38,218.43
Lighthouse service.....	196,468.90	173,648.03	+22,820.87
	1,069,467.70	1,019,712.11	+49,755.59

Income.—A considerable decrease from ₱334,918.00 for 1924 to ₱214,886.26 for 1925 was noted in the income of the bureau proper. This is due to the fact that, although the 1925 collections for mercantile register fees were greater than those for 1924, in 1925 less revenue was derived from the operation of vessels, less fixed assets were sold, and less prior year expenses were adjusted.

Income and expenses of the marine railway and repair shops.—The following operation statement of the marine railway and repair shops shows a net gain of ₱4,026.37 at the end of the year 1925:

Income:

Repair work—

Service income	₱404, 904. 30
Productive labor	₱167, 187. 38
Supplies and materials put in process	113, 488. 42
	280, 675. 80

Gross profit from repair work ₱124, 228. 50

Casting—

Production account	15, 343. 88
Productive labor	10, 386. 35
Supplies and materials put in process	4, 535. 04
	14, 921. 39

Gross profit from casting 422. 49

Docking—

Service income	16, 589. 25
Productive labor	3, 034. 62
Gross profit from docking	1, 481. 30
	4, 515. 92

Gross profit from docking 12, 073. 33

Gross profit from repair work, casting, and docking 136, 724. 32

Expense:

Administrative and factory expense—

Salaries	₱14, 318. 33
Wages	28, 278. 65
Traveling expenses	307. 42
Postal, telegraph, and cable service	1, 100. 00
Miscellaneous service	539. 71
Supplies and materials	10, 599. 94
Illumination and power service	46, 241. 30

Total administrative and factory expense 101, 385. 35

35, 338. 97

Other income:

Miscellaneous receipts	. 70
Credit adjustment prior year expense	1, 172. 22

Total other credits 1, 172. 92

36, 511. 89

Other expense:

Maintenance of plant and equipment	29, 199. 33
Depreciation of plant and equipment	3, 286. 19

Total other expense 32, 485. 52

Total net profit 4, 026. 37

The net gain for the previous year was ₱28,953.38.

BUREAU OF LABOR

HERMENEGILDO CRUZ, Director

ORGANIZATION AND PERSONNEL

For the performance of its functions, this bureau has 6 divisions in Manila, namely, administrative, legal and conciliation, inspection and statistics, marine and employment, interisland migration, and accounting, and 12 provincial

agencies in the following places: Cebu, Cebu; Iloilo, Iloilo; Legaspi, Albay; Davao, Davao; Zamboanga, Zamboanga; Cotabato, Cotabato; Larena, Siquijor; San Fernando, La Union; Laoag, Ilocos, Norte; Bacolod, Occidental Negros; Loon, Bohol; and Tacloban, Leyte.

The total number of officers and employees authorized by law for the year was 118. At the close of business on December 31 there existed 9 vacant positions. Changes took place in the service of the bureau. Mr. Bernabe Butalid was permanently appointed as attorney of the bureau, following his qualification for this position in the civil service; Mr. Gabriel Alba, assistant interisland migration commissioner, was appointed to the position of interisland migration commissioner, vice Mr. Emilio Ledesma, resigned; Mr. Francisco Juliano, chief, division of inspection and statistics, was appointed to the position left vacant by Mr. Alba, and Mr. Rosendo Regalado, assistant chief of the division of inspection and statistics, was promoted to the position left vacant by Mr. Francisco Juliano.

LABOR INSPECTION

Regular inspection.—Because of lack of appropriation the entire force, for regular duty, consists only of five factory inspectors, two of whom remained practically incapacitated for work due to protracted illness, resulting in death. One of the three living was transferred to another office of the government by reason of better inducement, and, as was expected, his successor had to be broken in for at least three months before he could be of much value in the service. With the aid, however, of the labor agents the handicap above mentioned has been minimized.

The field for inspection covers more than 2,174 centers of labor, with 35,775 workers in Manila, and 126,612 places of labor, with 262,169 workpeople in Provinces. With these numbers are not included the plantations or haciendas, which number 1,952,276, which might be inspected not only as to the number of laborers employed therein but also as to other conditions and purposes.

Another drawback which should not be lost sight of is the fact that the allotment for traveling expenses for the personnel of the bureau during the year 1925 remains at ₱7,800, an amount much below the allotment for 1921 or 1922, which was ₱29,000 and ₱20,100, respectively.

Attention is invited to the manifold activities the law imposes upon the inspection force, and consequently the numerous duties each member has to perform. The inspectors' work must be performed under many trying circumstances. There are employers who are none too willing to comply with the requirements of the law, and in the course of their daily routine work the inspectors are apt to meet many persons who are not over agreeable to those who have to suggest measures required by the law. For these and other reasons the inspectors' work is not always performed under too pleasant circumstances.

Fourteen Provinces, including the city of Manila, were inspected during 1925, the tour of inspection covering 83 municipalities. The number of centers of labor visited may be classified as follows:

	Centers of labor	Number of laborers
Factory and workshops (Manila and Provinces).....	1,465	48,231
Commercial establishments.....	329	6,067
Plantations or haciendas.....	47	3,396
Inspection of machinery.....	450	4,978
Inspection of women and children.....	130	7,209
Compliance visit and reinspection.....	400	-----
Total.....	2,821	69,881

As will be noted in the foregoing table, very few plantations were inspected, in view of the fact that, as a general rule, these are ordinarily situated in distant localities far from the regular route of available transportation.

Below is a comparative table showing the inspection of centers of labor during the last five years.

Year	Total		Industrial establishments		Commercial centers		Plantations or haciendas	
	Centers of labor	Work-people employed	Number	Work-people employed	Number	Work-people	Number	Work-people employed
1921-----	5,989	115,395	4,958	54,429	-----	-----	1,031	60,966
1922-----	5,700	73,658	3,874	46,903	1,265	6,755	561	25,000
1923-----	1,321	58,192	1,073	44,728	201	2,345	47	11,119
1924-----	2,048	73,121	1,765	65,042	171	2,671	112	5,408
1925-----	2,821	69,881	2,445	60,418	329	6,067	47	3,396

In the course of the inspection, evidence of injuries sustained by workers was discovered without their cases being reported to the bureau of labor for the purpose of Act No. 1874, commonly known as the labor accident law. Some employers in remote places in the Provinces were found to have issued tickets or tokens with money values and certificates of credit exchangeable with articles or commodities in their stores. In some places the conditions of the workshops were deplorable, and efforts were made to have the same remedied through the cooperation of the Philippine health service.

Special inspection.—In addition to the regular inspections, special inspections and investigations were made during the year 1925, covering 1,112 centers of labor and entities, with 14,889 laborers employed or involved. This activity is carried out in response to complaints received denouncing anomalous working conditions of laborers or whenever reliable information is received that labor laws are being violated. These special inspections covered, among others, fisheries, employment agencies, plantations or haciendas, water works, home seekers, Chinese slipper factories, and mines.

Of these investigations, mention may be made of the following:

1. A special study was made of the fishing industry around Manila Bay. The number of fisheries inspected, including individual enterprises, was 1,072, with 6,369 fishermen engaged therein.

2. On May 5, 1925, the director of labor himself inspected the gold mines in the Benguet district and found the labor conditions as a whole to be satisfactory, except that some safety measures had to be recommended. It is interesting to note that the Igorotes form the majority of the more than 1,000 laborers employed and are considered good miners.

3. Certain private employment agencies were examined on account of numerous complaints received against them for improper dealings. As these agencies do not come under the direct supervision of the bureau of labor, the cases, together with the necessary information, were referred to the city fiscal.

4. An investigation was conducted of the labor conditions in San Jose, Mindoro, by reason of reports that a great number of laborers were in distress due to lack of employment. The most important place of work in this town is the Mindoro Sugar Co. Because of the introduction of new methods of production, such as the *aparceria* system, and the consequent shifting of the work of many laborers, there was discontent among them, although it was found out later that the new method adopted would in the long run benefit the laborers. With the exception of this incident the condition of the laborers employed in the Mindoro Sugar Co. and the adjacent plantations operated by other persons may be regarded as satisfactory.

5. Because of information that many of the home seekers in Mindoro were dying of malaria, an agent was sent to the place to investigate the veracity of said information. With the cooperation of the Philippine health service, a quantity of quinine was distributed to the home seekers under the supervision of the district health officer. This action proved a blessing to the home seekers.

6. Toward the close of the year 1925 an investigation was conducted of the situation of the laborers employed in the extension of the Angat Dam, in Novaliches. It was found that about 40 per cent of the laborers were affected with malaria, and the fact was brought to the attention of the Philippine health service, which detailed a physician to take charge of the situation.

7. A special study was made of the Chinese minors employed in slipper factories. This investigation was made by reason of complaints made by slipper makers to the effect that they were being discharged and replaced by these minors. It was found, however, that these minors are lawfully in the Philippines.

Inspection of machinery.—During the year under review a total of 450 establishments with machinery installed and employing 4,978 laborers were inspected with a view to preventing accidents. The figures give an increase of 331 establishments over those inspected in the preceding year. The machinery in these establishments consisted of 345 electric motors, 37 steam boilers, 10 steam engines, 11 crude-oil engines, and 2 gas engines; 432 machines were found in satisfactory condition, while 18 required improvement as to protective appliances. In 13 of the latter, steps have already been taken to remedy the existing defects.

Women and children.—Pursuant to the provisions of Act No. 3071, regulating the employment of minors and children, there were inspected 114 centers of labor employing 6,243 women and children in Manila, and 16 centers employing 741 women and 220 children in Malabon and Navotas, Province of Rizal. Of the total number inspected, 6,201 were over 18 years of age and the remainder, or 1,008, were under age. In the 114 places visited in Manila 788 minors were found, of whom 79 were males and 709 females, and in Malabon and Navotas 220 minors were found, 57 being males and 163 females.

During the first inspection 56 males and 644 females were found to possess copies of their birth certificates, required by the law, and 80 males and 201 females were without such certificates, due to the distance of the places of nativity and other difficulties. The bureau has shown great leniency by giving both employers and the minors 30 days' extension within which to secure copies of birth certificates. In some cases this term is prolonged. In the second inspection an increase of 27 possessing copies of birth certificates was noted, thus reducing those without certificates to the minimum of 8 per cent, 2 per cent corresponding to males and 6 per cent to females. One hundred and fifty compliance visits and reinspections were made in order to see that the provisions of Act No. 3071 were duly complied with. The majority of women and children working near machines driven by motive power were made to wear caps and short-sleeved camisas, with a view to preventing these parts from being caught by the machines. Proper seats were provided, although a number could not avail themselves of this convenience, due to the nature of their work. Dressing rooms and separate closets and lavatories were provided for women in some centers of labor; children who worked during the daytime were urged to attend night schools, signs indicating the hours during which minors under 16 years of age were allowed to work are placed in conspicuous places in each room.

Inspection was made of bootblacks and newsboys in Manila under 18 years of age. The results are published in the report of the director of labor.

STRIKES AND OTHER INDUSTRIAL DISPUTES

The following table shows in a general way the settlement of strikes and other industrial disputes through the intervention of the bureau of labor during the last five years:

Year	Strikes and other industrial disputes			Number of work-people involved	Causes of conflicts		Adjustment in favor of—	
	Total	Union	Non-unionists		Wages	Other causes	Work-people	Em- ployer
1921.....	35	26	9	19,782	22	13	13	22
1922.....	24	19	5	14,956	19	5	7	13
1923.....	26	22	4	8,331	18	8	14	12
1924.....	20	15	5	6,784	13	7	12	8
1925.....	23	18	5	9,936	12	11	19	4
Total.....	128	100	28	59,789	84	44	65	59

In the tobacco manufacturing industry the strikes which occurred in the Alhambra Cigar & Cigarette Manufacturing Co. and in the La Flor de la Isabela, including its branch, La Clementina, deserve special mention. The importance of these strikes may be appreciated by reason of the fact that, due to the prolonged suspension of operation in these two big factories, the Christmas shipment of cigars to the United States dropped in volume considerably.

The strike in the Alhambra Cigar & Cigarette Manufacturing Co. involved 600 workers and lasted 20 days, the strikers sustaining a total loss of 12,000 days and ₱14,400 in wages.

In the case of the La Flor de la Isabela and its branch, La Clementina, the duration of the dispute was 28 days. The strikers, 2,800 in number, sustained a total loss of approximately 78,400 working days and ₱94,080 in wages. The total losses by laborers in these two factories were 90,400 working days and ₱108,480 in wages, or 58 per cent and 58 per cent, respectively, of the total number of working days and wages lost in all the strikes which took place during the year just closed. The causes of these two strikes were in the first case the appointment of two men from La Flor de Intal, another cigar factory, as foremen in the Alhambra Cigar & Cigarette Manufacturing Co. and in the second case the dismissal by the management of the La Flor de la Isabela of three workers who were officials of the local branch of the Union de Tabaqueros de Filipinas with which all the laborers employed therein were affiliated.

Of the 23 disputes in the year just closed, 17 culminated in stoppage or suspension of work. Eighteen disputes, or 78.3 per cent of the total, were conducted by labor unions with which the laborers were affiliated, and five, or 21.7 per cent, by unorganized laborers. Twelve disputes were caused by demands in wages, either for increase or against decrease, and 11 were occasioned by other causes, such as for or against changes in working conditions and management, ill treatment, and for reinstatement of discharged laborers. Of the total number of disputes, 15 occurred in tobacco factories, 4 in establishments for the manufacture of shoes and other leather goods, 3 in land and water transportation enterprises, and 1 in a book printing and publishing concern.

As a result of the 17 disputes, involving stoppage or suspension of work, the laborers sustained a total loss of approximately 156,917 working days, or ₱187,617.40 in wages, whereas 56,725 working days, or ₱112,869 in wages, were lost in 1924, or an increase of 100,192 working days and ₱74,748.40 in wages lost.

No estimate has been made of the losses suffered by the employers and the public in general, but it is believed they were enormous.

The periods of duration varied from one day to four weeks. All the disputes of the year under review took place in Manila, with the exception of one in Legaspi, Albay.

INDUSTRIAL ACCIDENTS

The following table shows the number of accidents reported to the bureau of labor during the last five years, the cases classified according to the nature of injuries, indemnified and not indemnified, and the total amount collected as grants, donations, gratuities, or indemnities received from employers:

Year	Number of accidents	Number of victims				Adjustments		
		Degree of injury			Total	Indemnified	Unindemnified	Amount collected
		Temporarily	Perpetually	Fatal				
1921.....	306	246	17	111	374	250	124	₱18,284.08
1922.....	417	383	17	69	469	149	224	9,036.22
1923.....	343	298	5	86	389	196	97	12,471.46
1924.....	500	437	31	61	529	214	247	11,404.81
1925.....	430	390	15	48	453	169	226	11,890.85
Total.....	1,996	1,754	85	375	2,214	978	918	63,087.42

Out of the 453 victims of accidents in the last year 169 were indemnified in the amount of ₱11,890.85, which amount was turned over to the victims themselves, or, in case of death, to the nearest relative or heirs. In some cases, where the employers refused to grant financial aids or indemnities to victims in spite of amicable negotiations, the attorney of the bureau resorted to court proceedings in accordance with law.

As to industrial groups, building and construction registered the greatest number of accidents, which were 114, with 116 victims who were more or less seriously injured. The greatest number of fatalities, which was 14, occurred in the wood furniture, sawmill, and lumber-yard group. It appears that the number of fatalities under this group is the same as that of 1924. Under the group of land and water transportation, wharf, etc., 109 accidents occurred, with 112 victims, with 7 fatalities. In the engineering and metal works 72 accidents happened, with 73 victims, including 1 casualty. In government activities 25 accidents took place, with 27 victims, 5 of which resulted fatally. Manila had the greatest number of accidents, numbering 300, with 311 victims. As in the case of the year 1924, the Provinces of Negres Occidental and Rizal come next in their order, the remaining number of accidents being distributed in 24 other Provinces.

Classifying accidents by occupation, common laborers met 211 accidents, with 228 victims; carpenters, 29 accidents, with 31 victims; mechanics, 31 accidents, with 31 victims; foremen, 22 accidents, with 23 victims; and conductors, 18 accidents, with 18 victims.

As to causes, 120 accidents were brought about by stepping upon or striking against objects, 83 by falling objects, 58 by handling objects, 42 by fall of persons, 27 by defective machinery, 16 by electricity, 14 by cars and engines and the rest by various causes.

At the close of the year under review 49 accidents, with 68 victims, were pending for solution. Out of 67 accidents pending in 1924, 26 accidents, with 26 victims, were settled in 1925 with the amount of ₱3,812.74 collected as indemnities.

FREE EMPLOYMENT AGENCIES OF THE BUREAU OF LABOR

The following table shows the number of laborers of different occupations registered and employed by the bureau of labor during the last five years:

Year	Registration	Placement	Percentage
1921	3,765	3,028	80.4
1922	5,814	4,018	69.4
1923	5,809	5,326	91.7
1924	4,673	4,246	90.9
1925	5,106	4,469	87.5
Total	25,167	21,087	83.5

During the year under review 5,106 laborers of different trades, including domestic helps, were registered in the employment agencies of the bureau, of which 4,469, or 87 per cent, were placed or employed. Comparing the registrations and placements during the year under consideration, which were 5,106 and 4,469, respectively, with those for 1924, which were 4,673 and 4,246, increases of 433 and 233 were noted in favor of 1925.

Had the above positions been secured through private employment agencies, the cost to the workers would approximate ₱13,400, and that of registration ₱10,200, or a total of ₱23,600. The fees collected from the requisitioners amounted to ₱3,673.

During the year 1925 there were in operation three private employment agencies in the city of Manila, although at the end of the year under review only one remained in operation, as the other two went out of business.

Embarkation and execution of contracts of seamen.—During the year under review 606 contracts, involving 21,588 embarkations of seamen, were executed with the intervention of the bureau, of which 21,576 are renewals and 12 new embarkations. Care should be taken in using these figures for statistical purposes because they merely represent the actual number of embarkations made as per contracts formalized, regardless of the number of times the individual seaman might have been embarked during the year. The contracts were frequently renewed in accordance with the desire of shipowners to get rid of undesirable men without much inconvenience. The average duration of contract is from one round trip to three months. There were 380 seamen's certificates issued during the year.

Employment abroad.—In the middle of the year the director of labor began negotiations with the Ford Motor Co., of Dearborn, Mich., United States of America, for the apprenticeship or employment of Filipino mechanics in their factories. As a result 25 Filipinos were taken in by the company.

INTERISLAND MIGRATION MOVEMENT

The following table shows the number of emigrant home seekers recruited and shipped by the bureau of labor to sparsely populated regions during the last five years:

Year	Total	Emigrant home seekers	Members of family	Expenses incurred
1921.....	3, 198	725	2, 473	P34, 327. 30
1922.....	762	177	585	13, 647. 21
1923.....	988	229	759	14, 522. 72
1924.....	934	193	741	13, 880. 26
1925.....	962	213	749	14, 346. 95
Total.....	6, 844	1, 537	5, 307	90, 724. 44

During the year under review a total of 962 home seekers, including members of family, were recruited and shipped by the bureau of labor to scarcely populated regions, particularly to Mindanao and Mindoro, or an increase of 28 as compared with that of 1924. As in the case of the last three years, ₱15,000 were made available by the appropriation act of 1925 for the transportation, subsistence, and quarters of home seekers. Of this amount ₱14,346.95 were expended, or at a per capita cost of ₱14.91, as against ₱14.86 for 1924. The per capita cost of transportation in 1923 was ₱14.70. The variation in the per capita expenditure does not indicate any measure of economy or otherwise, as the origin of home seekers—that is, the place where they were recruited—determines the outlay per head. Generally, those from Luzon were sent to Mindoro and those from the Visayas to Mindanao, although this policy was not strictly adhered to in view of the desire of home seekers, particularly those from the Ilocos Provinces, to be near their relatives who had gone earlier and were already well established in Mindanao.

The following table shows the destination of home seekers recruited and the expenses incurred for transportation, subsistence, and quarters during the fiscal year 1925:

Destination	Total	Home seekers	Members of family	Transportation cost
Cotabato.....	520	108	412	P9, 127. 17
Zamboanga.....	50	12	38	886. 53
Agusan.....	44	11	33	379. 00
Davao.....	56	14	42	1, 551. 00
Mindoro.....	290	67	223	2, 473. 25
Camarines Norte.....	2	1	1	30. 00
Total.....	962	213	749	14, 346. 95

In the foregoing figures are not included the home seekers, with their families, numbering 224 persons who were recruited by the bureau of labor at the request of the bureau of non-Christian tribes for the colonies of the latter in Mallog, Bukidnon, and Tawi-Tawi, Sulu.

FILIPINO LABORERS EMIGRATING TO AND RETURNING FROM THE TERRITORY OF HAWAII

The following tables show the number of Filipino emigrants to and returning from the Territory of Hawaii during the last five years:

Emigrants to Hawaii

Year	Total	Males	Females	Minors
1921.....	6,814	5,748	628	438
1922.....	8,183	7,291	530	362
1923.....	7,261	4,520	1,797	944
1924.....	9,869	8,171	1,116	582
1925.....	6,519	6,104	256	159
Total.....	38,646	31,834	4,327	2,485

Emigrants returning to the Philippines

Year	Total	Males	Females	Minors
1921.....	2,705	1,953	249	503
1922.....	1,593	1,309	81	203
1923.....	1,496	1,226	112	158
1924.....	2,195	1,730	204	261
1925.....	2,754	2,183	264	307
Total.....	10,743	8,401	910	1,432

The Provinces supplying the greatest number of recruits are the following:

Provinces	Men	Women	Minors
Ilocos Norte.....	1,826	48	27
Ilocos Sur.....	1,410	27	16
Pangasinan.....	633	40	28
Tarlac.....	564	2	3
Cebu.....	559	86	49
La Union.....	374	2	1
Total.....	5,096	205	124

The foregoing shows that the total number of emigrants from these six Provinces constitutes 78 per cent of all the Filipino emigrants to Hawaii.

On September 9, 1925, the director of labor went to Hawaii to investigate the conditions of Filipino laborers in that Territory. A separate report thereon has been submitted to his excellency.

COST OF LIVING

A comparative statement of the changes in the prices of commodities of prime necessity is published every 15th of the month for the purpose of informing the public in general and particularly the laboring class regarding the periodical changes in the cost of foodstuffs. Estimates of the cost of living of skilled and unskilled laborers, married and single, follow:

Class of laborer	Total	Food	Clothing	Housing	Sundry
Skilled laborer (single).....	P1.367	P0.83	P0.08	P0.118	P0.339
Skilled laborer (married).....	2.441	1.58	.091	.333	.12
Common laborer (single).....	.943	.67	.053	.10	.12
Common laborer (married).....	1.738	1.26	.076	.166	.236

WAGES

The daily wages of common laborers employed in plantations and other agricultural enterprises, including rubber plantations, range from P0.60 to P1.50. In the stripping of abaca the share of the strippers is one-half of the produce.

In the majority of cases the share is sold to the plantation owners and from the proceeds deduction is made by the latter to cover the debts incurred previously by the strippers. In mines the bulk of the work is done by the task and the daily earnings vary from ₱1 to ₱2. In lumber mills the common laborers receive a daily wage of from ₱1 to ₱1.50. Skilled laborers in the above industries are paid from ₱2 to ₱3 a day. As a general rule, dwelling houses, together with other privileges, such as medical treatment for laborers, including the members of their families, are furnished free of charge. There are instances in which subsistence is also given, especially for those receiving below ₱1. In Manila the wages of common laborers range from ₱1 to ₱2 and skilled laborers from ₱2 to ₱5.

FINANCIAL STATEMENT

The sum of ₱162,118.84 was available for the expenses of the bureau. Of this amount ₱150,406.81 were expended and the remainder, or ₱11,712.03, was reverted to the insular treasury. The expenditure for the year under review showed a decrease of ₱4,368.64, or 2.82 per cent, in comparison with that of the previous year.

The receipts of the bureau for license fees, forfeitures, and other miscellaneous sources during the year just closed were ₱11,232.78, as against ₱12,756.25, the receipts for the year 1924, or a decrease of ₱1,523.47, or 12 per cent. If the receipts from license, fees, and other miscellaneous services are deducted from the total expenditures the outlay will be ₱139,174.03 only.

BUREAU OF COAST AND GEODETIC SURVEY

H. A. SERAN, Director

The bureau of coast and geodetic survey finished the twenty-fourth year of its work in the Philippine Islands on December 31, 1925. Up to that date the bureau had accomplished the surveys over the great major portion of the waters and islands of the archipelago, having performed the following field operations:

Triangulation.....	square miles..	158, 006
Topography-shore line.....	miles..	17, 867
Hydrography	square miles..	187, 185
Number of soundings.....		6, 548, 781

The total expenses of all kinds met by the bureau for those 24 years amounted to ₱12,904,421.89, ₱7,626,373.72 of which was paid by the United States Government and ₱5,278,048.17 by the Government of the Philippine Islands. During the year 1925 the field operations ran to the following figures:

Triangulation.....	square miles..	2, 600
Topography-shore line.....	miles..	453. 1
Hydrography.....	square miles..	4, 114. 9
Number of soundings.....		297, 532

The expenditures incurred by the bureau for this year amounted to ₱267,290.66. At the end of the year work was in progress in two areas—the Sulu Archipelago and the area between Luzon and the Bashi Channel. When work on these two areas will have been terminated only three portions of the Philippine Islands will remain for future survey—the west coast of Palawan south of Malampaya Sound, the east coast of Luzon north of Polillo, and a small section on the west coast of Davao Gulf.

It is estimated that the first survey of the archipelago will be complete at the end of 12 years. Through the help of the Chief of the Division of Hydrography and Topography from the Washington office, there has been adopted a plan outlining the remaining field work and the precedence of executing the various projects.

Cooperation with the bureau of lands has been agreed upon whereby a scheme of triangulation will be carried up the Cagayan Valley, the bureau of coast and geodetic survey supplying the necessary instrumental equipment and an experienced officer to supervise the work and the bureau of lands furnishing the necessary observers and doing the field work. Both bureaus will benefit greatly by this triangulation—the bureau of lands by the proper coordination of

their cadastral surveys in that valley and the bureau of coast and geodetic survey by the location of the mountain peaks to permit the surveys off the east coast of Luzon.

Office reductions closely follow field records. During the early years reduction was necessarily slow and was at times a year behind the field work. To-day the office work is keeping good progress with the field work, and office reductions are almost immediately started upon the receipt of field records. Corresponding charts have been printed in Manila for the last three years, a considerable advantage in point of time over the previous situation when they were printed in Washington. The sale of maps, which is increasing, amounted to ₱3,104 this year.

Important discoveries of shoals and errors in such existing charts as depend on pre-American information were made in two localities. The islands north of Luzon were found to be seriously in error in size, shape, and position, and in the waters in the vicinity of Jolo Islands numerous shoals which constitute menaces to navigation were found and located.

On December 31 an automatic tide gauge which had been unused for about five years was installed in the pierhead of the new Pier No. 7. This is a permanent construction, and there is no reason to expect other than excellent results for many years to come.

A brief résumé of the field work of the three ship parties and of the office work of the divisions follows:

The "Pathfinder" (Lieut. O. W. Swainson commanding).—At the beginning of the year the party of the *Pathfinder* was engaged in making a revisionary survey of Asia Bay, on the west coast of Negros. This was a small project and took only a little over a month to complete. After a period of repair this ship was used for the inspection party of Commander Parker, of the Washington office, and the director of coast surveys around the north and east coasts of Luzon. After this inspection trip the regular work of the surveys among the islands north of Luzon was taken up and continued until October 19, when adverse weather conditions made it necessary to suspend operations in that vicinity. The work of the year included the extension of the triangulation to and including the island of Y'Ami, the northernmost island of the Philippine Archipelago, and detailed surveys around the three large islands of the Babuyan Group. After a period of about one month in Manila preparing for field work, the party of the *Pathfinder* sailed therefrom on November 24 for a season of deep-sea hydrography in the Sulu Sea in the general region south of Tubataba Reef. At the close of the year this work was in progress.

The "Fathomer" (Lieut. J. H. Peters, commanding).—Throughout the entire year the party of the *Fathomer* was engaged in surveying operations in the vicinity of Jolo Island, except for short periods of repairs in Manila. All the work was in areas heretofore unsurveyed, in which many new dangers were discovered. Amendments had accordingly to be made. The party of the *Fathomer* has been working in the same general locality for the past two years and in that period a large amount of connected work has been finished.

The "Marinduque" (Lieut. F. L. Peacock, commanding).—At the beginning of the year the *Marinduque* was in Manila undergoing quite extensive repairs at Engineer Island. On April 2 this party sailed for Malampaya Sound, west coast of Palawan, where a detailed and large scale survey was made of the entire sound at the request of the United States Navy. This work was completed on August 6, when the vessel returned to Manila for minor repairs. The party then sailed on September 22 for combined surveys in the southwestern part of the Sulu Archipelago. Surveys were in progress at the end of the year. This party will work eastward from Sibutu Passage to a connection with the finished surveys west of Jolo. On December 18 command of the *Marinduque* was transferred from Lieut. F. L. Peacock to Lieut. G. D. Cowie.

Magnetic party (W. M. Hill, observer).—The magnetic resurvey of the islands which was in progress at the time of the last annual report was completed during the month of June and the observer in charge was returned to the United States. Thirty magnetic stations in all were occupied in this resurvey. The stations are well scattered and include all localities in the Philippines with the exception of Palawan. The difficulty of arranging transportation to this island made it advisable to omit it from the schedule. As a result of this magnetic resurvey we are able to correct the compass roses on all the charts.

Computing division (C. F. Maynard, chief).—The principal work done by this division, which has been well standardized, follows:

Geographic positions, adjusted and computed.....	242
Tidal records, reduced and adjusted, marigrams.....	26
Volumes, staff readings.....	28
Sounding records, reduced volumes.....	224
Indexing records, reduced volumes.....	415

Compilation and adjustment, 5-kilometer base line on Jolo Island.

The publication of the results of the Manila triangulation is now in the hands of the printer and will soon be ready for distribution.

Drafting division (John Bach, chief).—The principal work accomplished by this division during the year follows:

Completed chart tracings for new edition.....	7
Completed chart tracings, revised and corrected.....	7
Charts, proof read.....	36
Smooth hydrographic sheets protracted.....	25
Smooth hydrographic sheets, soundings plotted.....	30
Smooth sheets verified.....	35
Projections prepared for field parties.....	41

Geographical division.—The geographical division is directed by two technical supervisors—the chief of the drafting division and the chief of the chart division. The personnel of the division is constantly engaged in making the necessary corrections to the maps of the Philippine Islands as changes occur.

In order to have the best information in regard to public roads, the bureau has secured from the bureau of public works blue prints of the road traverses of the various Provinces. These are being reduced to the scale of the maps produced and the corresponding corrections made. During the year the Provinces of Neuva Ecija and Pangasinan were completed and at the end of the year the corrections for the Province of Bulacan were in progress.

Chart division (C. E. Christopherson, chief).—The regular chief of this division, Mr. R. J. Christman, was ordered to the United States for temporary duty and sailed from Manila on April 17. Since that date the work of the chart division has been directed by Mr. Christopherson.

Throughout the year the best efforts have been directed toward the dissemination of information in regard to changes in aids to navigation for the benefit of the maritime public. A close relation has been maintained with the lighthouse division of the bureau of commerce and industry for this purpose.

During the year a total of 15,062 charts of Philippine waters was received from the division of photolithography, of which number 8,050 were forwarded to Washington to build up the stock of Philippine Islands charts in case of emergency.

At the close of the year special attention was directed toward the reprints and new prints of charts necessary to prevent the stock in the Manila office reaching a dangerously low level.

Photolithographic division (W. L. G. Perry, chief).—During the year excellent progress has been made in the photographing of original sheets for record purposes. Formerly tracings of all original sheets were made and this work required the constant application of several of the drafting division. By photographic methods tracings are rendered unnecessary and the draftsmen formerly employed thereon were released to work on original records.

BOARD OF EXAMINERS FOR CIVIL ENGINEERS

Messrs. F. de la Cantera, P. W. Mack, and Antonio Tayzon were the members of the board at the close of 1924 and continued holding office until May 21, 1925, when a new board composed of Messrs A. Magsaysay, elected chairman, P. W. Mack, elected secretary-treasurer and Luis Francisco was appointed.

Of the 28 candidates that were examined in 1925 by the previous board 14 were successful, and of the 19 examined by the new Board only 9 passed. Twenty-three certificates were accordingly issued to the successful candidates during the year.

The previous board received 69 applications for certificates without examination, of which 57 were approved. The new board received 15 similar applications, of which 5 were favorably considered. Sixty-two certificates were, therefore, granted without examination during the year.

For examination fees and issuance of certificates there was collected the amount of ₡2,070, of which ₡1,440 were examination fees and ₡630 were for the issuance of certificates without examination. The expenditures during the year amounted to ₡571.48, including the sum of ₡255.42 representing the cost of 86 certificates taken into stock on November 17, 1925.

BOARD OF EXAMINERS FOR MECHANICAL ENGINEERS

The year commenced with Messrs. Clemente Hidalgo, Eusebio Morales, and J. A. V. Corpus serving on the board of examiners for mechanical engineers. Upon the resignation of Mr. Morales, Mr. Juan Piedad was, on July 8, 1925, appointed to fill the vacancy. On July 15, 1925, Messrs. Corpus and Hidalgo, whose terms of office had expired, were reappointed, and the year closed with the former as chairman and Mr. Clemente Hidalgo as secretary-treasurer and Mr. Juan Piedad as third member of the board.

The total certificates issued during the year were 12 in number.

The board examined 6 applicants, 4 of them having successfully passed and 2 failed.

BOARD OF EXAMINERS FOR ELECTRICAL ENGINEERS

Messrs. W. H. Rudisill, Irwin R. McNiece, and Salustiano Reyes composed the board of examiners for electrical engineers when the year began. On July 6, 1925, Mr. Reyes resigned and Mr. G. M. Kamantigue succeeded him in the board. On July 15, 1925, Messrs. Rudisill and McNiece, whose terms of office had expired, were reappointed, and the year ended with the former as chairman, Mr. G. M. Kamantigue as secretary-treasurer, and Mr. Irwin R. McNiece as third member of the board.

During the year the board collected for examination fees and certificates the sum of ₡260 and spent ₡523.31 for per diems, advertising, stationery, and postage. Four certificates were issued to applicants upon passing the examinations and 7 were granted to persons without examination under the provisions of Act 2985, as amended by Act 3159.

BOARD OF EXAMINERS FOR ARCHITECT

The year opened with Messrs. A. Gabler-Gumbert, Carlos A. Barretto, and Tomás Mapúa serving on the board of examiners for architects. Upon the resignation of Mr. Mapúa, Mr. Cheri Mandelbaum was, on June 12, 1925, appointed to fill the vacancy. On June 28, 1925, Messrs. Gabler-Gumbert and Barretto, whose terms of office had expired, were reappointed, and the year closed with the former as chairman and Mr. Cheri Mandelbaum as secretary-treasurer and Mr. Carlos A. Barretto as third member of the board.

During the year the board collected for examination fees, certificates, and miscellaneous item the sum of ₡238 and spent ₡418.16 for per diems, postage, materials, and publication of examination notices. Two certificates of architect were issued and three persons were certified "maestros de obras" under the provisions of Act 2985, as amended by Act 3159 in 1925.

BOARD OF ACCOUNTANCY

Members of the board.—The board for 1925 was composed of Mr. W. W. Larkin, president; Mr. D. T. Dikit, secretary-treasurer; and Mr. Vincente Carmona, third member.

Applications for exemption from examination under section 11 of Act 3105.—Three applications for exemption were favorably acted upon by granting the applicants certificates of registration.

Applications for admission into the certified public accountants examination under section 4 of act 3105.—Of the 40 candidates who took the examination given on November 10-12, 1924, only two successfully passed in all the subjects, and were therefore granted certificates of registration as certified public accountants. Sixteen other candidates who passed in two or more subjects in the said examination were allowed to take the next examination in the subject or subjects in which they failed.

Ten candidates were admitted in the examination given on December 16, 17, and 18, 1925. Besides these candidates 20 repeaters were admitted in the same examination. Of this total of candidates 19 successfully passed in all the sub-

jects and were therefore granted certificates of registration. Four candidates who passed in two or more subjects will be allowed to take the next examination in the subject or subjects in which they failed.

Meetings of the board.—During the year one regular and two special meetings were held by the board.

Donations received by the board.—The La Salle Extension University, through the courtesy of Mr. Larkin, donated to the board on October 12, 1925, the following books:

4 American Law and Procedures, vols. 1, 6, 7, and 8.

1 Financing a Business, Regan.

1 Practical Banking, Wolfe.

1 Business Administration, section II, Business Psychology.

1 Business Administration, section III, Business Law, part 1.

1 Business Administration, section IV, Business Law, part 2.

Statement of income and expenditures for the year ended December 31, 1925, compared with the same period of last year, follows:

	Dec. 31, 1925	Dec. 31, 1924
Expenditures:		
Operation expenses—		
Salaries and wages.....	P750.00	P2,944.54
Salaries (emergency).....	279.09	
Traveling expenses of personnel.....	2.20	4.04
Postal, telegraph, telephone, and cable service.....	5.96	11.10
Miscellaneous service.....	62.84	89.54
Consumption of supplies and materials.....	136.69	635.87
Printing and binding reports, documents, and publications.....		250.00
	1,236.78	3,935.09
Outlays: Furniture and office equipment.....	186.10	301.50
	1,422.88	4,236.59
Income: Examination and renunciation fees.....	840.00	1,920.00
Excess of expenditures over income.....	582.88	2,316.59

Fees for applications which are still pending and those for disapproved applications not yet refunded so far, as well as fees for registration and issuance of certificates paid by candidates to the examination who have not yet qualified have been set aside into accounts payable and have not been taken up as income.

Very respectfully,

C. E. UNSON,

Acting Secretary of Commerce and Communications.

His Excellency the GOVERNOR GENERAL, Manila.

ANNUAL REPORT OF THE SECRETARY OF FINANCE

DEPARTMENT OF FINANCE,
Manila, March 31, 1926.

SIR: I have the honor to submit the following annual report of the department of finance corresponding to the year ending December 31, 1925.

If the general economic conditions of the country for 1924 had been good and encouraging, the conditions during 1925 had still been better and responded to the expectation, and with our principal foreign markets enjoying better times, the country's business outlook for the ensuing year is indeed very promising.

With the exception of tobacco, all the staple products showed an increase. Rice was much better, and sugar registered a bumper record, so, although it has lost in price, the loss was made up in production.

The Philippine products had a steady and fairly active market here and abroad, although hemp suffered some slumps in prices during the second quarter of the year under consideration. The prices of many of the principal crops showed substantial increases over the levels of 1924.

Very few ventures entered the field during the year 1925, and investments were rather slow except in building construction, where there was a continuous activity.

Comparing the foreign trade of the Philippines during the year 1925 with the previous year, there was an increase of ₱50,508,962, for the total trade for 1925 was ₱537,220,077, and that for 1924 was ₱486,711,115.

The islands' exports during last year totaled ₱297,754,410 or ₱27,065,085 more than the exports for 1924. The imports also recorded a considerable improvement last year over 1924, the figures being ₱239,465,667 and ₱216,021,790, respectively.

The favorable balance of trade of the islands during 1925 was ₱3,621,208 more than that of the preceding year. This increase shows a healthy and steady development of the economic conditions of the country along conservative basis.

Of the countries that traded with us in 1925 the United States held a prominent place, absorbing 66 per cent of the total trade of the islands. Following in importance were Great Britain, 6.61 per cent; Japan, 6.26 per cent; China, 3.88 per cent; and French East Indies, 2.43 per cent.

The American vessels still maintain the lead in carrying the foreign trade of the islands. The value of the goods, imports and exports, carried in American bottoms amounted to ₱243,389,070 for 1925, as against ₱236,598,785 for 1924, thus showing slight progress. Ships under the British flag carried second place, as was the case for the preceding year, having transported merchandise to the value of ₱173,351,783, which marked an increase of over 10,000,000 in round figures as compared with 1924. The Japanese ships again copped third place, registering a respectable increase from ₱23,789,627 in 1924 to ₱34,951,889 in 1925.

Vessels of the different nationalities, with few exceptions, recorded increases, but, to our regret, vessels of Philippine registry were credited with a decline. German ships continued to increase their activity in carrying the islands' foreign trade by jumping from ₱10,857,630 in 1924 to ₱15,353,884 for the year just expired.

The United States absorbed 73.24 per cent of the articles exported from the islands. The principal products of the country exported during 1925, in the order of their importance as to value, were sugar, abaca, coconut oil, copra, tobacco, embroideries, maguey, desiccated coconut, hats, and lumber. All these articles showed an increase over similar items in 1924, with the exception of tobacco and embroideries, which recorded a decrease.

One of the principal exports of the Philippines which played an important rôle in the promotion of the islands' overseas trade was sugar. It constituted

30 per cent of the total exports. During 1925 sugar valued at ₱91,628,005 was shipped out of the country, as against ₱83,736,173 worth of the same product exported for the previous year, or an increase of 9 per cent. All of our centrifugal and refined sugar went to the United States and Guam, while the largest portions of the muscovado were distributed among China, Honkong, and Japan.

The abaca exports represented 24 per cent of our total exportations. The value of the shipment sent abroad during 1925 was ₱71,043,292, as compared with ₱59,900,916 in 1924, or an increase of 18 per cent, and 50 per cent thereof went to the United States, while 23 per cent went to the United Kingdom, 11 per cent to Japan, and the rest to other countries. The quantity of abaca exported decreased in 1925, as compared with 1924, yet the value returned was greater. This was due to the fact that higher prices prevailed in the fiber market during the year 1925.

Almost all of our coconut-oil exports went to the United States, 93 per cent thereof having been sent to the markets of that country.

Eleven per cent of our total exports consisted of copra. The United States consumed more than 79 per cent of this commodity.

Of our total exports 6 per cent represented tobacco products. Cigars, cigarettes, and leaf tobacco constituted the chief products of tobacco exported, and 79.29 per cent of these domestic products were shipped to the United States.

The embroideries represented 6 per cent of our total exports, and almost all of them were sent to the United States, more than 99 per cent thereof having been shipped to that country.

The value of maguay exported during 1925 was ₱6,381,792, as compared with ₱5,845,278 in 1924, or an increase of 9 per cent. This represented 2 per cent of the total exports of the islands, and 20 per cent of this product went to Netherlands, while Japan and Belgium obtained each 15 per cent.

Most of our exportations of desiccated coconut went to the United States, with the value of ₱5,211,222, or 99.87 per cent of the total exports of this commodity.

There was a great deal of activity in hat exportations during 1925, the value of the shipment to foreign markets being ₱4,741,898, as compared with ₱2,452,960 in 1924, or an increase of 93 per cent, and 78 per cent of these went to the United States.

The exportations of lumber registered an increase of 4 per cent, and more than one-half of these were exported to the United States. The rest went to other countries.

Except when compared with those for the banner year of 1920, importations of the islands during 1925 were the largest since the American occupation. The United States supplied 58 per cent of the total imports, or ₱138,595,166, which amount was ₱17,797,960 more than that recorded for 1924. From Japan and Great Britain large increases in our importations were also registered. The articles that gave heavy importations to the islands were, in the order of their importance as to value, cotton and its manufactures, iron and steel and their manufactures, mineral oils, rice, wheat flour, meat and dairy products, automobiles and accessories, paper and its manufactures, silk and its manufactures, and coal. The respective values of these articles as imported in 1925, except those of rice and coal, were more than those of the previous year.

There were two main features of last year's imports. One was the heavy fall in the importations of rice, owing to favorable conditions in the rice-producing regions, and the other the big investments in luxuries. During 1925 the Philippines imported automobiles and accessories thereof valued at ₱9,112,313. This was ₱2,628,107 more than in 1924, when it was ₱6,484,206. Diamonds and other precious stones, perfumery, and cosmetics also recorded an increase over the previous year. All these were indicative of the fact that the country was enjoying a comparatively prosperous year in 1925.

The increment obtained by the trade was accompanied by an increase in the insurance business. Two new foreign insurance companies entered the field of business in the Philippine Islands during the year 1925 and no withdrawal was registered. The number, therefore, of operating insurance companies increased to 65, 6 of which were domestic, 16 American, and 43 foreign. The net risk written by all insurance companies, except life, in the islands during the year under review amounted to ₱712,584,798.03, as against ₱674,358,115.46 in the preceding year.

The financial condition of the country during the year covered by this report was still better than that prevailing in 1924, which, according to the last annual report of this department, was already on stable basis. This can be

attributed to several factors, namely, the larger agricultural production of the islands, especially rice and sugar, the higher prices commanded by some of our products, and the sale in the United States of government bonds for public-works purposes. As a result of all these, the currency circulation has gone up and liquidations by the banks of their loans have been accomplished to the end of increasing their deposits and cash holdings. These circumstances enabled the banks to meet the legitimate financial demands of the business.

The banks' deposits registered an increase of ₱4,278,076.76 during 1925, as compared with 1924, while their loans and discounts including overdrafts practically remained stationary.

No new banking enterprise was started during the year, but the Central Luzon Agricultural Students' Bank, which was closed before, was opened again. The Philippine National Bank has also opened a new agency at Bacolod, Negros Occidental.

As shown in the following table, other things being equal, the currency circulation varies directly with the total foreign trade:

Year	Circulation	Total foreign trade
1920.....	₱124,589,239.63	₱601,124,276
1921.....	103,661,819.90	407,907,793
1922.....	97,217,467.695	351,561,885
1923.....	110,389,333.25	416,505,474
1924.....	123,979,980.69	486,711,115
1925.....	132,841,572.785	537,220,077

There is an increase of ₱8,861,592.095 in the currency circulation of the islands on December 31, 1925, as compared with that of the same date of the preceding year. The greater demand of Philippine products abroad and the sale of government bonds in the United States that gave rise to a trade balance in favor of the islands have to a great extent been responsible for such increase.

During the year the sum of ₱255,815.66 was paid from the general fund to the gold-standard fund in order to make up the minimum amount of the fund required by law, which is 15 per cent of the money of the Government of the Philippine Islands in circulation and available therefor. On December 31, 1925, however, the amount of the gold-standard fund was ₱18,427,683.98, which is in excess of the minimum limit required by law. The market exchange rates between Manila and New York have been normal, and no change was made on the government exchange rates, which are one-half of 1 per cent for demand drafts and seven-eighths of 1 per cent for telegraphic transfers.

On December 31, 1925, the treasury certificate fund established for the redemption of the treasury certificates in circulation amounted to ₱94,595,383 representing 100 per cent of all treasury certificates in circulation and available for circulation as required by law.

The following tables show the income, expenditures, and current surplus of the insular government for 1925 and 1924, segregated by fund, viz, general fund, special fund, and bond fund.

GENERAL FUND—COMPARATIVE BUDGET STATEMENT

Items	Fiscal year 1925	Fiscal year 1924
Income:		
Revenue from taxation—		
Import duties.....	₱18,153,985.31	₱17,682,619.27
Excise tax.....	16,902,206.26	14,669,900.39
License and business tax.....	21,062,788.27	20,120,462.04
Wharfage tax.....	2,162,074.55	1,926,715.13
Franchise tax.....	151,107.42	144,238.63
Documentary stamp tax (internal revenue).....	633,757.46	609,873.67
Documentary stamp tax (customs revenue).....	568,438.06	541,090.72
Income tax.....	3,282,642.86	2,550,369.90
Immigration tax.....	231,196.00	250,452.00
Tonnage dues.....	354,489.52	368,039.45
Inheritance tax.....	294,767.92	136,450.74
Apportionment of internal revenue to local governments.....	3,164,083.55	3,164,083.55
Total.....	60,333,570.08	55,836,188.48

GENERAL FUND—COMPARATIVE BUDGET STATEMENT—Continued

Items	Fiscal year 1925	Fiscal year 1924
Income—Continued.		
Incidental revenue—		
Revenue from public forest.....	P1, 122, 489. 97	P1, 145, 874. 38
United States internal revenue.....	1, 754, 054. 10	1, 503, 100. 23
Fines and forfeitures.....	637, 046. 625	656, 625. 96
Sales of public domain.....	38, 013. 71	29, 416. 75
Other.....	45, 561. 65	40, 345. 36
Total.....	3, 597, 166. 055	3, 375, 362. 68
Earnings and other credits—		
Operating income of commercial and industrial units.....	10, 483, 005. 86	10, 300, 119. 55
Other income of operating units.....	109, 580. 79	122, 163. 73
Income incidental to functional activities.....	3, 328, 721. 72	3, 019, 066. 73
Sales of fixed property.....	47, 165. 48	121, 749. 33
Surplus transferred from Friar-lands estate division.....	829, 150. 87	845, 407. 52
Sales of mortgaged property and collection of agricultural bank loans.....	25, 671. 37	58, 433. 66
Interest repayments, railway companies.....	494, 935. 71	345, 167. 85
Collection of loans to local governments.....	149, 900. 00	95, 950. 00
Surplus transferred from bond fund.....	4, 492, 953. 00	4, 352, 340. 00
Surplus transferred from San Lazaro estate division.....	130, 460. 50	119, 390. 26
Total.....	20, 091, 545. 30	19, 379, 788. 63
Credit adjustments, prior year—		
Repayments to prior year's expense.....	40, 427. 67	385, 924. 045
Inventory adjustments (sales stock and supplies and materials).....	14, 425. 09	61, 770. 20
Expired money orders (Sec. 1973, Administrative Code).....	12, 461. 40	15, 976. 96
Total.....	67, 314. 16	340, 130. 805
Total income.....	84, 389, 595. 595	78, 931, 470. 595
Expenditures:		
Revenue service—		
Expense of revenue collection.....	1, 644, 375. 09	1, 533, 560. 39
Operating expense of commercial and industrial units.....	6, 925, 319. 21	7, 082, 408. 77
Total.....	8, 569, 694. 30	8, 615, 969. 16
Debt service—		
Interest and exchange on public debt.....	6, 778, 926. 96	6, 636, 134. 58
Payments to sinking funds.....	3, 191, 942. 67	2, 715, 260. 58
Repayment of insular loans.....	900, 100. 00	18, 500. 00
Total.....	10, 870, 969. 63	9, 369, 895. 16
General welfare service—		
Legislation.....	1, 572, 941. 15	1, 753, 369. 97
Executive direction and control.....	1, 623, 320. 77	1, 581, 370. 09
Adjudication.....	2, 483, 304. 42	2, 275, 835. 06
Law and order.....	4, 879, 503. 13	4, 306, 059. 81
Public health.....	4, 284, 849. 45	4, 217, 686. 05
Protection against forces majeure.....	209, 982. 69	218, 384. 07
Regulation of public utilities.....	91, 537. 90	66, 043. 58
Other protective service.....	77, 401. 59	83, 256. 01
Public education.....	8, 045, 362. 71	7, 878, 652. 34
Public correction.....	929, 984. 59	861, 505. 22
Public charities.....	566, 998. 14	517, 179. 48
Conservation of natural resources.....	575, 051. 06	548, 036. 88
Development of commerce.....	2, 959, 745. 83	2, 666, 518. 90
Development of agriculture.....	3, 387, 571. 93	4, 207, 733. 75
Philippine publicity.....	93, 214. 62	87, 033. 61
Development of industrial arts and sciences.....	472, 125. 57	470, 283. 48
Other economic development.....	177, 493. 97	184, 634. 43
Aid to local governments.....	13, 289, 133. 60	13, 322, 273. 99
Total.....	45, 729, 523. 12	45, 245, 909. 72
Outlays and investments—		
Purchase and construction of public works.....	1, 199, 781. 53	1, 155, 872. 81
Purchase and construction of equipment.....	539, 832. 70	709, 701. 95
Corporate investments.....	162, 500. 00	204, 363. 36
Advances to railway companies under guaranty contract.....	693, 650. 35	691, 585. 30
Purchase of private shares of Philippine National Bank stock.....	2, 307, 380. 00	0. 00
Total.....	4, 903, 144. 58	2, 761, 523. 42

GENERAL FUND—COMPARATIVE BUDGET STATEMENT—Continued

Items	Fiscal year 1925	Fiscal year 1924
Expenditures—Continued.		
Extraordinary charges—		
Retirement gratuities, act 2589	P161,638.27	P169,854.77
Pensions, act 2922	12,000.00	12,000.00
Deficiency contribution, gold-standard fund	255,815.66	0.00
Expenses of issue and sales of bonds	283.87	1,575.41
Contingent losses for the rehabilitation of the Philippine National Bank	4,560,673.00	20,219,898.64
Total	4,990,410.80	20,403,328.82
Debit adjustment, prior year—		
Accounts receivable written off	18,358.45	4,325.71
Losses from revaluation of stock inventory	105,235.59	226,412.45
	123,594.04	230,738.16
Total expenditures	75,187,336.47	86,627,364.44
Increase in surplus during the year:		
Surplus from revenues ¹	13,820,653.925	8,171,664.795
Surplus from bond fund	4,618,394.80	15,867,558.64
Total	9,202,259.125	7,695,893.845
Add—Surplus Jan. 1:		
Surplus from revenues	12,301,708.615	4,130,043.82
Surplus from bond fund	23,240,991.36	39,108,550.00
Total	35,542,699.975	43,238,593.82
Surplus Dec. 31:		
Surplus from revenues	26,122,362.54	12,301,708.615
Surplus from bond fund	18,622,596.56	23,240,991.36
Total	44,744,959.10	35,542,699.975

¹ Includes surplus adjustment of P1,987,479.14 due to deficiency contribution to the gold-standard fund inadvertently charged to "Surplus from revenues" in 1923.

SPECIAL FUND—COMPARATIVE STATEMENT OF RECEIPTS AND EXPENDITURES

Income:		
Revenue from taxation—		
License and business tax	P782,662.81	P610,594.83
Apportionment of motor-vehicle fund, act 3045	675,000.00	613,000.00
Total	1,07,662.81	2,405.17
Earnings and other credits—		
Fines and forfeitures	42,069.67	31,982.74
Sales of supplies and materials	7,447.43	2,066.99
Income from rentals	5,593.73	4,798.47
Interest on deferred payments on land sales and investments and securities	256,358.14	217,494.07
Service income	569,979.09	399,317.54
Sales of fixed property	21,455.82	18,346.96
Sales of San Lázaro real estate	128,248.91	87,418.85
Prior-year adjustments	32,077.13	68,576.75
Production earnings	379.75	8,233.52
Inspection of tobacco	157,675.84	135,767.60
Land-title fees	31,085.25	27,069.80
Premium on property insurance	98,951.90	99,148.42
Premium on surety bonds	61,511.09	44,921.76
Premium on insurance of work animals		157.00
Voluntary contributions from the public	2,300.00	20,500.00
Incidental receipts	25,770.44	15,909.37
Total	1,440,904.19	1,181,709.84
Total income	1,548,567.00	1,179,304.67

SPECIAL FUND—COMPARATIVE STATEMENT OF RECEIPTS AND EXPENDITURES—Continued

Items	Fiscal year 1925	Fiscal year 1924
Income—Continued.		
Appropriations from the general fund—		
University of the Philippines.....	P1, 580, 165.84	P1, 573, 000.00
Property insurance fund.....	50, 000.00	50, 000.00
Fidelity insurance fund.....		67, 831.25
Friar-lands estates division (restoration of reverted income).....		1, 894.73
Cadastral survey fund (restoration of reverted income).....	174, 662.69	205, 788.62
Cadastral registration fund.....		7, 000.00
Bohol Agricultural Colony.....	1, 000.00	
Total appropriations.....	1, 805, 828.53	1, 905, 514.60
Total receipts.....	3, 354, 395.53	3, 084, 819.27
Expenditures:		
Salaries.....	1, 332, 701.44	1, 280, 023.32
Wages.....	335, 661.64	331, 575.18
Travel expense of personnel.....	86, 644.40	82, 085.50
Freight, express, and delivery service.....	42, 341.59	41, 945.58
Postal, telephone, telegraph, and cable service.....	16, 035.31	17, 549.21
Illumination and power service.....	17, 719.71	15, 816.78
Miscellaneous service.....	132, 529.28	186, 604.40
Rental of buildings and grounds.....	16, 137.12	14, 508.06
Consumption of supplies and materials.....	303, 204.44	248, 692.13
Printing and binding reports, documents, and publications.....	12, 572.17	4, 969.12
Cash contributions and gratuities (other than to local governments).....	55, 716.21	75, 000.00
Discretionary expenditures.....	304.85	242.11
Travel expense of persons not Government employees.....	1, 024.70	772.16
Maintenance and repair (contract payments only).....	17, 483.48	36, 983.61
Purchase of equipment.....	112, 397.01	114, 905.49
Purchase of public works.....	25, 453.42	97, 576.86
Extraordinary losses.....	12, 651.40	49.85
Property insurance losses.....	15, 691.00	73, 845.59
Work-animal insurance losses.....		605.50
Shortages and losses paid.....	57, 491.69	58, 754.79
Deterioration of supplies and sales stock.....	1, 977.86	4, 310.05
Engineering construction (contract payments only).....	22, 213.36	13, 333.32
Losses—Uncollectible debts.....	107.37	20, 885.96
Aid to local governments.....		7, 737.00
Total expenditures.....	2, 618, 059.45	2, 728, 721.57
Increase in surplus during the year.....	736, 336.08	356, 097.70
Add—Surplus Jan. 1.....	5, 108, 790.81	4, 752, 693.11
Surplus Dec. 31.....	5, 845, 126.89	5, 108, 790.81

BOND FUND—COMPARATIVE STATEMENT OF INCOME AND EXPENDITURES

Balance Jan. 1:		
Financial interests protection, Act 2999—		
National-bank circulation reserve, Act 3174.....	P8, 084, 040.00	
Balance (unassigned).....	2, 071, 960.00	P10, 156, 000.00
Manila port works, Act 2908—		
Unreleased appropriation.....	7, 087, 130.16	8, 662, 130.16
Released appropriation.....	588, 948.37	684, 708.41
Irrigation systems, Act 2940—		
Unreleased appropriation.....	9, 202, 206.18	11, 973, 906.27
Released appropriation.....	6, 079, 057.44	5, 262, 424.47
Sundry purposes, Act 3013 (unappropriated).....	4, 365.00	4, 365.00
Total.....	31, 939, 810.41	35, 380, 117.49
Income:		
Proceeds of bonds, Act 3013.....	4, 488, 588.00	4, 352, 340.00
Proceeds of bonds, Act 3204.....	2, 567, 047.50	
Repayment of advances, Act 3112 (Act 2940).....	881, 600.00	
Adjustment of 1924 expenses, Act 2940.....	6, 000.00	
Transfers—		
Financial interests' protection, Act 2999—		
National-bank circulation reserve, Act 3174.....	1, 919, 660.42	8, 084, 040.00
Balance (unassigned).....	1, 919, 660.42	8, 084, 040.00
Manila port works, Act 2908—		
Released appropriation.....	2, 763, 358.00	1, 575, 000.00
Unreleased appropriation.....	2, 763, 358.00	1, 575, 000.00

BOND FUND— COMPARATIVE STATEMENT OF INCOME AND EXPENDITURES—
Continued

Items	Fiscal year 1925	Fiscal year 1924
Income—Continued.		
Transfers—Continued.		
Irrigation systems, Act 2940—		
Released appropriation.....	P1, 729, 595.00	P2, 777, 340.00
Unreleased appropriation.....	1, 729, 595.00	2, 777, 340.00
Total.....	7, 943, 235.50	4, 352, 340.00
Total opening balance and income.....	39, 883, 045.91	39, 732, 457.49
Expenditures:		
Construction and equipment of piers, Act 2908.....	1, 873, 631.81	1, 479, 239.96
Construction of irrigation systems, Act 2940.....	2, 424, 972.86	1, 763, 275.89
Advances for completion of legislative building, Act 3112.....	787, 347.61	197, 788.00
Purchase of metropolitan water district bonds, Act 3204.....	2, 567, 047.50	-----
Expenses of issue and sale of bonds, Act 2940.....	-----	3.23
Transfers to the general fund, Act 3013.....	4, 492, 953.00	4, 352, 340.00
Total.....	12, 145, 952.78	7, 792, 647.08
Balance Dec. 31:		
Financial interests' protection, Act 2999—		
National-bank circulation reserve, Act 3174.....	6, 164, 379.58	8, 084, 040.00
Balance (unassigned).....	3, 991, 620.42	2, 071, 960.00
Manila port works, Act 2908—		
Unreleased appropriation.....	4, 323, 772.16	7, 087, 130.16
Released appropriation.....	300, 777.82	588, 948.37
Irrigation systems, Act 2940—		
Unreleased appropriation.....	8, 354, 207.95	9, 202, 206.18
Released appropriation.....	4, 602, 335.20	6, 079, 057.44
Sundry purposes, Act 3013 (unappropriated).....	-----	4, 365.00
Total.....	27, 737, 093.13	31, 939, 810.41

The general-fund table shows a total income of ₱84,389,595.59 during 1925 and ₱78,931,470.59 during 1924. Deducting from said sums the special item of "surplus transferred from bond fund" amounting to ₱4,492,953 for 1925 and ₱4,352,340 for 1924, the regular income for 1925 will be ₱79,896,642.59 and that for 1924, ₱74,579,130.59. A comparison of these last two amounts shows an increase of ₱5,317,512 in favor of 1925. Import duties, excise tax, license and business tax, wharfage tax, and the United States internal revenue are mainly responsible for the increase.

Deducting from the expenditures the extraordinary items consisting of "purchase of private shares of Philippine National Bank," "deficiency contribution, gold-standard fund," and "contingent losses for the rehabilitation of the Philippine National Bank," totaling ₱7,123,868.66 for 1925 and ₱20,219,898.64 for 1924, the regular government expenditures during 1925 will be ₱68,063,467.81 and during 1924, ₱66,407,465.80. The increase of ₱1,656,002.01 is chiefly due to larger amounts paid for interests and sinking funds of bonded debt owing to new bonds floated and for repayment of insular loans on account of money advanced from bond funds for the completion of the legislative building under Act No. 3112.

It will be noted from the table that the general-fund surplus on December 31, 1925, was ₱44,744,959.10. This surplus, however, is not all cash, but simply represents the excess of the current assets over the current liabilities. The current assets do not constitute cash in the treasury exclusively, as they also include other items which are more or less continuing. In order, therefore, to determine the cash surplus, the continuing assets and the continuing liabilities must be disregarded. The continuing assets amounted to ₱40,203,067.655, while the continuing liabilities were ₱20,873,208.205, or a difference of ₱19,329,859.45. Deducting, therefore, this amount from the surplus of ₱44,744,959.10 above mentioned, the balance will be ₱25,415,099.65, which may be considered as the cash surplus, of which ₱1,643,812.34 is appropriated and ₱23,771,287.31 unappropriated.

The special-fund table covers continuing appropriations or funds whose unexpended balances do not revert to the general fund at the end of the year, but remain available for expenditures until exhausted. The surplus of the special fund on December 31, 1925, was ₱5,845,126.89, as against ₱5,108,790.81 on December 31, 1924.

The bonds issued by the Philippine government up to December 31, 1925, amounted to ₱165,520,000. Deducting from this sum the city of Manila collateral bonds of ₱5,500,000, which are secured by bonds in the same amount issued by the city of Manila and held by the insular government, the net bonded indebtedness of the Philippine government on December 31, 1925, would be ₱160,020,000. Of this amount, ₱146,100,000 are obligations of the insular government and the balance of ₱13,920,000 are bonds issued by provincial and municipal governments.

Under the Jones Act the debt limit of the insular government is an amount equal to the 10 per cent of the assessed value of the taxable property of the country, excluding the bonds issued for the purchase of the friar lands estates. The last assessed valuation of the taxable property of the islands is ₱1,577,414,454.47.

During 1925 bonds in the face value of ₱4,600,000 were sold under Act No. 3013 for sundry purposes, bearing 4½ per cent interest, and ₱2,500,000 under Act No. 3204, for the purchase of bonds of the metropolitan water district at 5 per cent interest.

The interest paid for insular bonds, including the city of Manila collateral bonds, amounted to ₱6,821,671.87, as compared with ₱6,634,664.58 paid in 1924. In both these amounts the premium on exchange is included.

The balance of the bond fund as shown by the bond-fund table was ₱27,737,093.13 on December 31, 1925. Of this amount, ₱17,960,759.69 were deposited in the Philippine National Bank and the balance was in treasury vaults and with banks in the United States.

To redeem the bonds issued sinking funds are set aside according to law. On December 31, 1925, the total amount of sinking funds thus set aside for insular bonds was ₱24,356,945.70 and that for provincial and municipal bonds was ₱4,801,414.29.

The government investments in business enterprises involve a large amount of money.

The activities of the National Development Co. during 1925 were limited to attending its present enterprises, i. e., the National Coal Co., the Cebu Portland Cement Co., and the Sabani estate. The total paid-up capital stock of the National Development Co. on December 31, 1925, was ₱5,648,200, as compared with ₱5,435,700 on December 31, 1924. The increase of ₱212,500 represents the new shares of stock issued which were purchased by the Government to supply the company with funds for the additional loan of ₱200,000 granted to the National Coal Co. and for the payment of taxes and overhead expenses.

The attempt made to sell the Sabani estate by lots did not succeed, due to lack of good roads giving access to same. The expenses of the estate during the year were ₱12,100.60, while its income amounted to ₱12,595.75.

During 1925 an additional loan of ₱200,000 was granted by the National Development Co. to the National Coal Co., thus making the total advances of the former to the latter ₱2,300,000 on December 31, 1925. The business of the National Coal Co. is not yet encouraging, although something has been accomplished during 1925, as the cost of production of its output during said year has been reduced.

In the Cebu Portland Cement Co., which is subsidiary of the National Development Co., the latter has invested ₱2,870,000, of which ₱2,750,000 represents shares of stock of the former and ₱120,000 represents the sum paid to Mr. C. F. Massey as one of the compensations for the transaction made with him on October 11, 1924. Judging from the report of the president of the Cebu Portland Cement Co., the prospects of the business of this company are very hopeful, as had it not been for the failure of a clinker which was poorly prepared during the former management, the company should have made some gain during 1925.

As stated in my last annual report, the objectionable features of the situation of the Philippine National Bank have been eliminated by the enforcement of the banks' rehabilitation Act No. 3174. During the year the bank has met no financial difficulty; on the contrary, it has been able to return to the Government ₱1,919,660.42 of the funds advanced for the reserve of its circulating notes.

The Manila Railroad Co. has paid to the Government during 1925 the sum of ₱200,000 as a partial refund of the funds advanced to pay the interests of the bonds of the company guaranteed by the Government. This shows that the operation of the company during the year has been successful.

More detailed information is furnished below of the activities of the four bureaus under the jurisdiction of this department.

BUREAU OF THE TREASURY

The following statement shows the movement of funds in the insular treasury during the fiscal year 1925, as compared with the preceding year:

General treasury cash account

	1925	1924	Increase (+) or decrease (—)	Balance, Dec. 31, 1925
General fund:				
Balances—Jan. 1.....	P8, 735, 467.025	P25, 846, 283.765	P—17, 110, 816.74	
Receipts—				
Bank clearances.....	271, 736, 076.085	263, 232, 666.80	+8, 503, 409.285	
Exchanges.....	37, 612, 237.66	32, 508, 421.96	+5, 103, 815.70	
Transfers.....	44, 121, 165.17	58, 716, 544.56	—14, 595, 379.39	
Deposits.....	163, 796, 300.64	139, 882, 762.73	+23, 913, 537.91	
Total.....	526, 001, 246.58	520, 186, 679.815	+5, 814, 566.765	
Withdrawals—				
Bank clearances.....	271, 736, 076.085	263, 232, 666.80	+8, 503, 409.285	
Exchanges.....	37, 612, 237.66	32, 508, 421.96	+5, 103, 815.70	
Transfers.....	41, 066, 501.85	65, 513, 955.64	—24, 447, 453.79	
Expenditures.....	152, 579, 206.29	150, 196, 168.39	+2, 383, 037.90	
Totals.....	502, 994, 021.885	511, 451, 212.79	—8, 457, 190.905	
Balances—Dec. 31.....	23, 007, 224.695	9, 735, 467.025	+14, 271, 757.67	P23, 007, 224.695
	526, 001, 246.58	520, 186, 679.815	+5, 814, 566.765	
Sinking funds:				
Balances—Jan. 1.....	2, 355, 276.56	2, 011, 573.19	+343, 703.37	
Receipts—				
Exchanges.....	2, 164, 741.46	11, 295, 189.00	—9, 130, 447.54	
Transfers.....	15, 005, 627.42	9, 747, 031.61	+5, 258, 595.81	
Deposits.....	1, 935, 510.12	6, 712, 642.47	—4, 777, 132.35	
Total.....	21, 461, 155.56	29, 766, 436.27	—8, 305, 280.71	
Withdrawals—				
Exchanges.....	2, 164, 741.46	11, 295, 189.00	—9, 130, 447.54	
Transfers.....	16, 329, 647.75	8, 679, 301.68	+7, 650, 346.07	
Expenditures.....	1, 947, 573.65	7, 436, 669.03	—5, 489, 095.38	
Total.....	20, 441, 962.86	27, 411, 159.71	—6, 969, 196.85	
Balances—Dec. 31.....	1, 019, 192.70	2, 355, 276.56	—1, 336, 083.86	1, 019, 192.70
	21, 461, 155.56	29, 766, 436.27	—8, 305, 280.71	
Bonds fund:				
Balances—Jan. 1.....	34, 552, 067.93	36, 892, 583.50	—2, 340, 515.57	
Receipts—				
Exchanges.....	2, 053, 638.00	1, 900.00	+2, 051, 738.00	
Transfers.....	16, 669, 135.55	32, 066, 595.45	—15, 397, 459.90	
Deposits.....	2, 567, 047.50	2, 983, 893.19	—416, 845.69	
Total.....	55, 841, 888.96	71, 944, 972.14	—16, 103, 083.16	
Withdrawals—				
Exchanges.....	2, 053, 638.00	1, 900.00	+2, 051, 738.00	
Transfers.....	15, 791, 892.11	35, 044, 873.44	—19, 252, 981.33	
Expenditures.....	6, 460, 051.72	2, 346, 130.77	+4, 113, 920.95	
Total.....	24, 305, 581.83	37, 392, 904.21	—13, 087, 322.38	
Balances—Dec. 31.....	31, 536, 307.15	34, 552, 067.93	—3, 015, 760.78	31, 536, 307.15
	55, 841, 888.98	71, 944, 972.14	—16, 103, 083.16	
Special funds:				
Balances: January 1.....	2, 146, 414.46	2, 317, 126.18	—170, 711.72	
Receipts—				
Transfers.....	854, 592.52	1, 115, 397.19	—260, 804.67	
Deposits.....	3, 507, 074.89	3, 061, 422.35	+445, 652.54	
Total.....	6, 508, 081.87	6, 493, 945.72	+14, 136.15	
Withdrawals—				
Transfers.....	8, 790.35	771, 808.59	—763, 018.24	
Expenditures.....	4, 147, 757.24	3, 575, 722.67	+572, 034.57	
Total.....	4, 156, 547.59	4, 347, 531.26	—190, 983.67	
Balances: Dec. 31.....	2, 351, 534.28	2, 146, 414.46	+205, 119.82	2, 351, 534.28
	6, 508, 081.87	6, 493, 945.72	+14, 136.15	

General treasury cash account—Continued

	1925	1924	Increase (+) or decrease (—)	Balance, Dec 31, 1925
Fiduciary funds:				
Balances: Jan. 1.....	P6, 418, 664.825	P2, 145, 611.605	P +4, 273, 053.22	
Receipts—				
Exchanges.....	89.06	2, 046.91	—1, 957.85	
Transfer.....	3, 208, 032.59	10, 455, 462.29	—7, 247, 429.70	
Deposits.....	31, 070, 135.28	25, 608, 341.57	+5, 461, 793.71	
Total.....	40, 696, 921.755	38, 211, 462.375	+2, 485, 459.38	
Withdrawals—				
Exchanges.....	89.06	2, 046.91	—1, 957.85	
Transfers.....	592, 446.91	171, 155.62	+421, 291.29	
Expenditures.....	33, 419, 669.63	31, 619, 595.02	+1, 800, 074.61	
Total.....	34, 012, 205.60	31, 792, 797.55	+2, 219, 408.05	
Balances: Dec. 31.....	6, 684, 716.155	6, 418, 664.825	+266, 051.33	P6, 684, 716.155
	40, 696, 921.755	38, 211, 462.375	+2, 485, 459.38	
Depository fund:				
Balances: Jan. 1.....	3, 206, 128.53	1, 841, 348.74	+1, 364, 779.79	
Receipts—				
Exchanges.....	2, 003, 171.06	—	+2, 003, 171.06	
Transfers.....	10, 000, 000.00	23, 201, 345.46	—13, 201, 345.46	
Deposits.....	99, 385, 596.32	90, 163, 200.64	+9, 222, 395.68	
Total.....	114, 594, 895.91	115, 205, 894.84	—610, 998.93	
Withdrawals—				
Exchanges.....	2, 003, 171.06	—	+2, 003, 171.06	
Transfers.....	16, 069, 336.15	25, 121, 291.59	—9, 051, 955.44	
Withdrawals.....	97, 115, 000.85	86, 878, 474.72	+10, 236, 526.13	
Total.....	115, 187, 508.06	111, 999, 766.31	+3, 187, 741.75	
Balances: Dec. 31.....	—592, 612.15	3, 206, 128.53	—3, 798, 740.68	592, 612.15
	114, 594, 895.91	115, 205, 894.84	—610, 998.93	
Gold-standard fund:				
Balances: Jan. 1.....	15, 224, 730.15	13, 630, 828.22	+1, 593, 901.93	
Receipts—				
Exchanges.....	39, 977, 132.84	38, 170, 221.34	+1, 806, 911.50	
Transfers.....	15, 820, 273.87	18, 616, 126.32	—2, 795, 852.45	
Deposits.....	6, 890, 295.57	2, 030, 236.73	+4, 860, 058.84	
Total.....	77, 912, 432.43	72, 447, 412.61	+5, 465, 019.82	
Withdrawals—				
Exchanges.....	39, 977, 132.84	38, 170, 221.34	+1, 806, 911.50	
Transfers.....	15, 820, 212.00	18, 616, 126.32	—2, 795, 914.32	
Expenditures.....	4, 079, 851.59	436, 334.80	+3, 643, 516.79	
Total.....	59, 877, 196.43	57, 222, 682.46	+2, 654, 513.97	
Balances: Dec. 31.....	18, 035, 236.00	15, 224, 730.15	+2, 810, 505.85	18, 035, 236.00
	77, 912, 432.43	72, 447, 412.61	+5, 465, 019.82	
Treasury certificate fund:				
Balances: Jan. 1.....	76, 442, 325.00	62, 084, 788.00	+14, 357, 537.00	
Receipts—				
Exchanges.....	10, 053, 638.00	6, 500, 000.00	+3, 553, 638.00	
Transfers.....	24, 877, 340.00	40, 299, 000.00	—15, 421, 660.00	
Total certificates issued	41, 996, 075.00	33, 910, 713.00	+8, 085, 362.00	
Total.....	153, 369, 378.00	142, 794, 501.00	+10, 574, 877.00	
Withdrawals—				
Exchanges.....	10, 053, 638.00	6, 500, 000.00	+3, 553, 638.00	
Transfers.....	24, 877, 340.00	40, 299, 000.00	—15, 421, 660.00	
Total certificates retired	23, 843, 017.00	19, 553, 176.00	+4, 289, 841.00	
Total.....	58, 773, 995.00	66, 352, 176.00	—7, 578, 181.00	
Balances: Dec. 31.....	94, 595, 383.00	76, 412, 325.00	+18, 183, 058.00	94, 595, 383.00
	153, 369, 378.00	142, 794, 501.00	+10, 574, 877.00	
Grand total.....				176, 636, 981.83

Distribution of cash balances

Name of funds	Cash in Treasury vaults		Bank credits		Total expressed in Philippine currency
	United States currency	Philippine currency	United States currency	Philippine currency	
General fund.....		P11,940,500.24	\$5,129,083.17	P808,558.115	P23,007,224.695
Gold-standard fund.....	\$1,778,446.24	397,323.56	7,040,509.98	-----	18,035,236.00
Treasury certificate fund.....	1,850,000.00	17,820,276.00	36,537,553.50	-----	94,595,383.00
Depository funds:					
Antituberculosis Society fund.....		28,064.14	-----	-----	28,064.14
Austin memorial fund.....		24.58	-----	-----	24.58
Coast and Geodetic Survey disbursing officers.....		5,415.16	-----	-----	5,415.16
Fourth of July celebration fund.....		3,092.91	-----	2,633.46	5,726.37
Insular disbursing officers.....		228,900.28	-----	-----	228,900.28
Money-order fund.....		(2,726,949.60)	-----	-----	(2,726,949.60)
Philippine National Bank emergency fund.....		56,018.67	-----	-----	56,018.67
Treasurer of the United States disbursing officers.....		1,611,042.15	-----	-----	1,611,042.15
Treasury overage account.....		110.59	-----	-----	110.59
Trust fund, Manila Railroad Co., Acts Nos. 1510 and 1592.....		-----	-----	199,035.51	199,035.51
Sinking funds:					
Insular—					
Currency bonds, Act No. 3058.....		2,547.41	7,238.97	-----	13,025.35
Financial interest protection bonds, Act No. 2999.....		160.33	4,397.71	-----	8,955.75
Land purchase bonds, Act No. 1749.....		1,248.52	107,917.64	-----	217,083.80
Manila port works and improvement bonds, Act No. 2908.....		1,267.54	7,038.14	-----	15,343.82
Manila Railroad Co. purchase bonds, Act No. 2625.....		452.70	90,329.72	-----	181,112.14
Public improvement bonds of 1905, 1906, and 1909, Acts Nos. 1729 and 2425.....		12,677.89	25,871.36	-----	64,420.61
Public improvement bonds of 1921, Act No. 2940.....		6,775.84	1,261.37	-----	9,298.58
Sundry purposes bonds, Act No. 3013.....		231,605.41	35,358.87	-----	302,323.15
Provincial and municipal—					
Bangued, Abra, water bonds, Act No. 2838.....		1,096.54	452.125	-----	2,000.78
City of Cebu sewer and water bonds, Act No. 2009.....		3,165.32	896.62	-----	4,958.56
City of Manila public improvement bonds, Act No. 2894.....		107,498.00	5,315.06	-----	118,128.12
City of Manila sewer water bonds, Act No. 1323.....		14,521.56	32,319.83	-----	79,161.22
Majayjay, Laguna, sewer and water bonds, Act No. 2773.....		1,096.60	452.125	-----	2,000.85
Santa Cruz, Laguna, sewer and water bonds, Act No. 2773.....		491.46	444.25	-----	1,379.96
Bonds funds:					
Financial interest protection bonds, Act No. 2999.....		8.44	1,995,805.99	-----	3,991,620.42
Financial interest protection bonds, Act No. 2999—Philippine National Bank circulation reserve, Act No. 3174.....		-----	3,082,189.79	-----	6,164,379.58
Manila port works and improvement bonds, Act No. 2908.....		3,679,109.24	2,164,068.58	-----	8,007,246.40
Public improvement bonds of 1921, Act No. 2940.....		2,196,452.80	5,588,303.975	-----	13,373,060.75

Distribution of cash balances—Continued

Name of funds	Cash in Treasury vaults		Bank credits		Total expressed in Philippine currency
	United States currency	Philippine currency	United States currency	Philippine currency	
Special funds:					
Fidelity fund, section 325, Act No. 2711		P63,048.93			P63,048.93
Land title assurance fund, Act No. 496		318,457.33			318,457.33
Property insurance fund, section 340, Act No. 2711		370,151.63			370,151.63
Other bureaus special fund		1,599,876.39			1,599,876.39
Fiduciary funds:					
Aparri electric light franchise, section 9, Act No. 2845				P1,268.77	1,268.77
Cavite electric light franchise, section 2, Act No. 867		1,000.00			1,000.00
C. B. Carter electric light franchise				1,040.00	1,040.00
City of Cebu sewer and water bonds interest fund		10,075.00			10,075.00
City of Manila public improvement bonds interest fund		373,594.49			373,594.49
City of Manila sewer and water bonds interest fund		361,726.67			361,726.67
Earthquake of 1863 fund, Act No. 2109		25,745.92			25,745.92
Gas franchise guaranty fund, section 12, Act No. 2039		20,833.33			20,833.33
Municipality of Bangued, Abra, water bonds interest fund		2,500.00			2,500.00
Municipality of Najayjay, Laguna, sewer and water bonds interest fund		2,500.00			2,500.00
Municipality of Santa Cruz, Laguna, sewer and water bonds interest fund		6,750.00			6,750.00
Pampanga electric light franchise, section 9, Act No. 2845		1,000.00			1,000.00
Pulupanian-Isabela railroad franchise, section 27, Act No. 2483		3,000.00			3,000.00
Silay electric light franchise, section 9, Act No. 2393		1,000.00			1,000.00
Other bureaus fiduciary fund		2,708,598.415	\$1,582,041.78		5,872,681.975
Total	\$3,628,446.24	41,493,852.385	63,436,850.555	1,012,535.855	176,636,981.83

Location of cash balances in banks—Continued

Bank credits	General fund	Gold-stand- ard fund	Treasury cer- tificate fund	Depository funds	Sinking funds	Bonds fund	Fiduciary funds	Total
UNITED STATES BANKS—continued								
Old Colony Trust Co., Boston, Mass. (time deposits)			\$1,000,000.00					\$1,000,000.00
Penn National Bank, Philadelphia, Pa. (time deposits)		\$1,000,000.00						1,000,000.00
Philadelphia National Bank, Philadelphia, Pa. (time deposits)			500,000.00					500,000.00
Biggs National Bank, Washington, D. C. (time deposits)			1,500,000.00					1,500,000.00
Second National Bank, Washington, D. C. (time deposits)			500,000.00					500,000.00
State National Bank, St. Louis, Mo. (time deposits)			500,000.00			\$500,000.00		500,000.00
Union Trust Co., Cleveland, Ohio (time deposits)			1,000,000.00					1,000,000.00
United States Trust Co., New York (time deposits)								1,000,000.00
Total	\$5,129,083.17	7,040,509.98	36,537,553.50		\$317,293.79	12,830,368.335	\$1,582,041.78	63,436,550.555
PHILIPPINE BANKS								
Philippine National Bank, Manila:								
Fixed deposits at 4 per cent interest per annum				P201,668.97			P2,308.77	P203,977.74
Current accounts	P8,115							8,115
Special deposit account	808,550.00							808,550.00
Total	808,558.115			201,668.97			2,308.77	1,012,535.855

SPECIAL FUNDS

Land title-assurance fund.—The purpose of this fund is to reimburse anyone who may lose title to property under the circumstances specified in Act No. 496. The balance of the fund on December 31, 1924, was ₱350,498.42. The income during the year 1925 was ₱35,256.03, which was derived from interest on investments and from percentage fees on land registered. During the period under review no claims against the fund were received.

Property-insurance fund.—Under the provisions of Act No. 1728, as amended by sections 336 to 341 of Act No. 2711, this fund was established for the insurance of government vessels, crafts, government machinery, permanent public buildings, government property stored therein, and government property stored in rented buildings against destruction or damage resulting from fire, earthquake, storm, or other casualty. The property of the insular government is deemed to be insured in said fund free of charge solely by virtue of the law, without any further formality. The property of a Province, city, municipality, or other local political division is insured only upon application made by the board and council of the Province, city, or municipality, respectively, with the approval of the secretary of finance. The premium for insurance is fixed with the approval also of the secretary of finance. The balance of the fund at the beginning of the period was ₱222,405.26. The receipts during 1925 amounted to ₱156,043.28 and were derived from premiums on insurance and from the continuing annual appropriation of ₱50,000 provided by law. The losses paid during the year were ₱15,691 and the miscellaneous expenses amounted to ₱36.22. The ratio of losses paid to premium received is 16 per cent, as compared with 74 per cent in 1924. The following is the list of losses paid during the period:

Province of Bulacan: A provincial house at Malolos, totally destroyed by fire-----	₱1, 750.00
Province of Cagayan: Damage caused by typhoon to school building at Enrile-----	85.26
Total loss caused by typhoon of Provincial launch <i>Cagayan</i> ----	4, 000.00
Damage caused by typhoon to school building at Tuao-----	78.69
Damage caused by typhoon to school building at Penablanca----	142.55
Damage caused by typhoon to Provincial government buildings----	647.92
Province of Ilocos Norte: Damage caused by typhoon to the jail building at Laoag-----	116.14
Province of Leyte: Damage caused by typhoon to Provincial buildings-----	5, 492.70
Province of Sorsogon: Damage caused by typhoon to school building at Gubat-----	171.31
Bureau of Education: To replace schoolbooks and supplies burnt at Mauban, Tayabas-----	172.08
To replace schoolbooks and supplies burnt at Apalit, Pampanga--	2, 124.23
Bureau of posts: To replace property destroyed by fire at Bagabag, Nueva Vizcaya-----	71.84
Bureau of supply: To replace a motor boat and tools damaged by fire-----	838.28
Total-----	15, 691.00

Fidelity bond premium fund.—This fund was established by Act No. 1739, as amended, for the purpose of replacing defalcations, shortages, unrelieved losses, and of paying the expenses of administration and operation of the fund in connection with the insurance of officers and employees of the Government and of officers, agents, or employees of companies or corporations controlled by the insular government.

The balance of the fund on December 31, 1924, was ₱100,000. The accretions to the fund amounted to ₱63,336.84 and were derived from premium on insurance (₱61,511.09) and from interest on bank deposits (₱1,825.75).

The expenses amounted to ₱61,112.74, of which ₱57,491.69 represented losses paid and ₱3,621.05 administrative expenses. The ratio of losses paid to premiums received is 93 per cent.

The total bonds in force on December 31, 1925, were ₱26,518,450, as against ₱24,048,750 in 1924. The total losses paid in 1925 were ₱57,491.69, or ₱1,263.10 less than those paid in 1924.

Of the ₱57,491.69 losses paid in 1925, ₱9,960.41 pertain to 13 insular employees, ₱36,857.80 to 16 provincial and municipal employees, and ₱10,673.48 to 4 employees of national companies.

DEPOSITORY FUNDS

Among the various accounts grouped under depository funds the following are the most important:

Treasurer of the United States account.—This account represents funds deposited by the Treasurer of the United States with the Chase National Bank, New York City, to the credit of the treasurer of the Philippine Islands to meet the expenses of the United States Government in the Philippine Islands. The total amount thus deposited during the year under review amounted to ₱29,000,000 (\$14,500,000), as compared with ₱26,000,000 (\$13,000,000) in 1924. The outstanding balance on December 31, 1925, was ₱1,611,042.15 (\$805,521.07½), as against ₱1,192,909.02 (\$596,454.51) on December 31, 1924.

Manila Railroad Co. Southern Lines bonds sinking fund account, Act No. 2574.—This sinking fund is established by the Manila Railroad Co., and is deposited in the Philippine National Bank to the credit of the insular treasurer as an investment of the fund. It is for the redemption of those Manila Railroad Co. Southern Lines bonds, the maturity of which has been extended to the year 1959 under the provisions of Act No. 2574. The balance of the fund on December 31, 1925, amounted to ₱41,113.65.

FIDUCIARY FUNDS

Among the various accounts grouped under fiduciary funds the following is the most important:

Earthquake fund of 1863 account.—This account represents funds recovered from the Monte de Piedad of Manila through court proceedings and are now held in the treasury vaults ready for distribution among those damaged by the earthquake of June 3, 1863.

The balance of this fund, amounting to ₱25,745.92 on December 31, 1924, remained the same at the close of business on December 31, 1925.

The original amount deposited by the Government in 1863 in the Monte de Piedad was Pfs. 80,000 gold, which, together with accrued interest, amounted to ₱108,939.77. The total amount distributed among the parties concerned, in compliance with court's orders was ₱83,193.85, as follows:

1918-----	₱659. 00
1919-----	78, 545. 28
1920-----	3, 887. 59
1921-----	39. 48
1922-----	23. 03
1923-----	39. 47
Total-----	S3, 193. 85

GOLD-STANDARD FUND (ACT NO. 3058)

The function of the gold-standard fund is to maintain the parity of the Philippine silver peso with the theoretical Philippine gold peso, the latter being the unit of value in the Philippine Islands and consisting of 12½ grains of gold, nine-tenths fine.

The Philippine mint, which has been operated by the general fund during the first six months of the year 1925, was transferred to the gold-standard fund under the provisions of section 1622 (a) of Act No. 2711, as amended by Act No. 3058, and its operation was continued by this fund for the rest of the year.

The operation of the gold-standard fund proper and that of the mint are separately shown in the following statement to clearly demonstrate the result of the two operations.

By the operation of the gold-standard fund proper a net gain of ₱2,752,020.59 was made during the year, as compared with ₱2,026,111.92 in 1924. The receipts of the gold-standard fund proper amounted to ₱2,830,842.80, as against ₱2,042,871.58 in 1924. The increase was due to a larger amount of interest received on gold standard and treasury certificate funds deposits with banks in the United States and to appropriation made from the general fund to cover the deficiency of the gold-standard fund in April, 1925. The total expenses amounted to ₱78,822.21, or a difference of ₱62,062.55 over the total expenses in 1924. This increase in the expenditures was due to payment of bills for printing treasury certificates amounting to over ₱60,000 included under the item "Miscellaneous service."

The receipts of the gold-standard fund for the period from July 1 to December 31, 1925, on account of mint operation, amounted to ₱78,384.35, while the expenses were ₱51,737.70, netting a gain of ₱26,646.65. This profit is based on actual disbursement, overhead and depreciation expenses having been disregarded.

Minimum of the fund.—Act. No. 3058 provides that the gold-standard fund shall be constituted and maintained in a sum not less than 15 per cent of the money of the government of the Philippine Islands in circulation and available for circulation, including both coins and treasury certificates, and that, if said fund shall fall below the minimum so fixed, the deficiency shall be made up out of any funds then in the insular treasury or thereafter paid into the treasury not specifically appropriated to meet the payment of the principal, sinking fund, or interest of the public debt, which amount shall be considered as automatically appropriated for this purpose.

The minimum of the gold standard on December 31, 1925, was as follows:

Minimum required:

15 per cent of the money
of the government of the
Philippine Islands in cir-
culation and available
therefor—

Total coinage..... ₱39,864,743.91

Less coins held in treas-
ury vaults belonging
to the gold-standard
fund and treasury
certificate fund not
considered as avail-
able for circulation
under section 1625

(f) of Act No. 3058... 18,217,599.56

₱21,647,144.35

Outstanding treasury cer-
tificates.....

94,595,383.00

Less treasury certificates in
treasury vaults belonging
to the gold-standard fund
not considered available
for circulation under sec-
tion 1625 (f) of Act No.
3058

94,595,383.00

Total government money in circulation and
available therefor.....

116,242,527.35

15 per cent of the above amount.....

₱17,436,379.10

This minimum was kept as follows:

Cash in treasury vaults—

Philippine currency..... 397,323.56

United States currency (\$1,778,446.24) 3,556,892.48

3,954,216.04

On deposit with authorized depositories
in the United States—

Chase National Bank, New York City... \$3,040,509.98

Crocker National Bank, San Francisco,
Calif..... 1,000,000.00

Guaranty Trust Co., New York City... 1,000,000.00

Huntington National Bank, Columbus,
Ohio..... 500,000.00

Mercantile Trust Co., St. Louis, Mo.... 500,000.00

Penn National Bank, Philadelphia, Pa... 1,000,000.00

7,040,509.98 14,081,019.96

Excess..... 18,035,236.00

Total..... 17,436,379.10

TREASURY CERTIFICATE FUND

This fund takes care of the redemption at part of the treasury certificates issued. Its balance amounted to ₱94,595,383 on December 31, 1925. This amount represents 100 per cent of all treasury certificates in circulation and available for circulation. It consists of silver coins to the amount of ₱17,820,276 and United States gold coins in the sum of \$1,850,000 and of gold deposits in member banks of the Federal reserve system in the United States to the amount of ₱36,537,553.50.

CIRCULATION

The circulation of the islands on December 31, 1925, consisted of the following:

Treasury certificates:			
Issued.....		₱94,595,383.00	
Less—			
Amount held in treasury vaults pertaining to governmental funds.....	₱22,598,471.00		
Amount destroyed, unknown.....	350,000.00		
		22,948,471.00	
Net treasury certificates in circulation.....			₱71,646,912.00
Philippine coins:			
Issued—			
Silver pesos.....	22,357,825.00		
Half-silver pesos.....	6,273,829.00		
Subsidiary coins.....	8,940,673.70		
Minor coins.....	2,292,416.21		
		39,864,743.91	
Less—			
Amount in treasury vaults pertaining to governmental funds—			
Silver pesos.....	15,512,535.00		
Half-silver pesos.....	2,307,123.00		
Subsidiary coins.....	931,759.50		
Minor coins.....	79,649.825		
	18,831,067.325		
Amount destroyed, unknown.....	100,000.00		
		18,931,067.325	
Net Philippine coins in circulation.....			20,933,676.585
Bank notes:			
Issued by—			
Bank of the Philippine Islands.....	8,961,305.00		
Less amount destroyed, unknown.....	40,000.00		
		8,921,305.00	
Philippine National Bank.....	30,849,679.20		
Less amount destroyed, unknown.....	150,000.00		
		30,699,679.20	
Total bank notes in circulation.....			39,620,984.20
Total circulation.....			132,201,572.785

Table showing the per capita circulation of the Philippine Islands

Year	Circulation	Population	Per capita circulation
1921.....	₱103,661,819.90	1 10,945,623	₱9.47
1922.....	97,217,467.695	1 11,164,541	8.71
1923.....	110,389,333.25	1 11,387,832	9.69
1924.....	123,979,980.69	1 11,615,589	10.67
1925.....	132,201,572.785	1 11,847,899	11.16

¹ Population estimated only. Based on the 1918 census and at a yearly increase of about 2 per cent.

PUBLIC DEBT

The public debt consists of the following:

Bonds of the insular government proper, including friar lands bonds-----	₱146, 100, 000
Bonds of the insular government secured by bonds of the provincial, municipal, and other government entities-----	5, 500, 000
Bonds of the provincial, municipal, and other government entities securing insular government bonds-----	13, 920, 000
Total-----	¹ 165, 520, 000

From the subjoining table it will be seen that the bonded indebtedness has increased by ₱7,100,000. This increase was caused by the additional bond issue of ₱2,300,000 under the authority of Act No. 3013, known as "4½ per cent gold loan of 1922 (due 1952), fifth, sixth, and seventh sales, irrigation and permanent public works bond," and by ₱1,250,000 worth of bonds sold under the provisions of Act No. 3204.

The interest paid by the government on account of the insular bonded indebtedness during the year 1925 amounted to ₱6,821,671.87, as compared with ₱6,634,664.58 paid in 1924. In both these amounts the exchange premium at the rate of seven-eighths per cent is included.

Bonded indebtedness

Issue	Amount
Insular bonds:	
4 per cent loan of 1904 (1914-1934), 10/30 years, land purchase bonds, Acts Nos. 1034, 1749, and 2550-----	₱14, 000, 000
4 per cent loan of 1905 (1915-1935), 10/30 years, first series, public improvement bonds, Acts Nos. 1301 and 1729-----	5, 000, 000
4 per cent loan of 1906 (1916-1936), 10/30 years, second series, public improvement bonds, Acts Nos. 1444, 1449, and 1729-----	2, 000, 000
4 per cent loan of 1909 (1919-1939), 10/30 years, third series, public improvement bonds, Act No. 1954-----	3, 000, 000
4 per cent loan of 1916 (1926-1946), 10/30 years, railroad purchase bonds, Acts Nos. 2615, 2624, and 2625-----	8, 000, 000
5½ per cent loan of 1920 (1930-1950), 10/30 years, Manila port works and improvement bonds, Act No. 2908-----	12, 000, 000
5½ per cent loan of 1921 (due 1941), public improvement bonds, Act No. 2940 (irrigation and public works)-----	20, 000, 000
5 per cent loan of 1922 (due 1952), financial interest protection bonds, Act No. 2999-----	10, 000, 000
4½ per cent gold loan of 1922 (due 1952), first sale sundry purposes bonds, Act No. 3013-----	10, 000, 000
4½ per cent gold loan of 1922 (due 1952), second sale sundry purposes bonds, Act No. 3013-----	4, 500, 000
4½ per cent gold loan of 1922 (due 1952), third sale sundry purposes bonds, Act No. 3013-----	1, 500, 000
4½ per cent gold loan of 1922 (due 1952), fourth sale sundry purposes bonds, Act No. 3013-----	3, 000, 000
4½ per cent gold loan of 1922 (due 1952), fifth sale sundry purposes bonds, Act No. 3013-----	1, 500, 000
4½ per cent gold loan of 1922 (due 1952), sixth sale sundry purposes bonds, Act No. 3013-----	2, 000, 000
4½ per cent gold loan of 1922 (due 1952), seventh sale sundry purposes bonds, Act. No. 3013-----	1, 100, 000
4½ per cent gold loan of 1922 (due 1952), first sale currency bonds, Act No. 3058-----	20, 000, 000
4½ per cent gold loan of 1922 (due 1952), second sale currency bonds, Act No. 3058-----	25, 000, 000
5 per cent loan of 1925 (1935-1955), first issue, first sale metropolitan water district purchase bonds, Act No. 3204-----	2, 000, 000
5 per cent loan of 1925 (1935-1955), first issue, second sale metropolitan water district purchase bonds, Act No. 3204-----	500, 000
Total insular bonds-----	146, 100, 000
Insular bonds secured by provincial and municipal bonds:	
4½ per cent loan of 1922 (due 1950), city of Manila improvement public works collateral bonds, Act No. 3051-----	5, 500, 000
Provincial and municipal government bonds sold to public:	
4 per cent loan of 1905 (1915-1935), first series, Manila sewer and waterworks bonds, Acts Nos. 1323 and 2832-----	2, 000, 000
4 per cent loan of 1907 (1917-1937), second series, Manila sewer and waterworks bonds, Acts Nos. 1323 and 2832-----	3, 910, 000
4 per cent loan of 1908 (1918-1938), third series, Manila sewer and waterworks bonds, Acts Nos. 1323 and 2832-----	60, 000
	30, 000
	1, 990, 000
	10, 000

¹ The actual public debt is ₱165,520,000, less the ₱5,500,000 city of Manila collateral bonds bought and reissued by the insular government, or only ₱160,020,000.

Bonded indebtedness—Continued

Issue	Amount
Provincial and municipal government bonds sold to public—Continued.	
4 per cent loan of 1911 (1921-1941), city of Cebu sewer water bonds, Act No. 2009.....	P250,000
5 per cent loan of 1919 (1929-1949), 10/30 years, Santa Cruz, Laguna, sewer and water bonds, Act No. 2773.....	90,000
5 per cent loan of 1919 (due 1949), 10/30 years, Majayjay, Laguna, sewer and water bonds, Act No. 2773.....	40,000
5 per cent loan of 1919 (due 1949), 10/30 years, Bangued, Abra, sewer and water bonds, Act No. 2838.....	40,000
Provincial and municipal bonds securing insular bonds:	
5½ per cent loan of 1920 (1930-1950), city of Manila permanent improvement bonds, Act No. 2894.....	5,500,000
Total provincial and municipal bonds.....	13,920,000
Total of all bonded indebtedness.....	165,520,000

Adequate legislation provides for sinking funds to redeem the bonds at maturity. The accretions of the sinking funds consist of the interest derived from investments and of the annual allotments from the insular government, cities, and municipalities concerned, as the case may be. Excepting the cases of Manila sewer and waterworks; Cebu waterworks; Santa Cruz, Laguna, waterwork; Majayjay, Laguna, waterworks; and Bangued, Abra, waterworks, these sinking funds are adjusted annually, so that the amount thereof at each annual due date of the bond issues shall be equal to the total of an annuity of such a sum, for each million pesos of bonds outstanding, as with interest at the rate of 3½ per cent per annum, shall be sufficient to retire the bonds at maturity.

The balances of the bond sinking funds at the close of the year were as follows:

Insular bonds:

Land purchase bonds sinking fund, Acts Nos. 2550 and 2592.....	P8,472,411.99
Public improvement bonds sinking fund, Acts Nos. 1729 and 2425.....	5,109,357.09
Manila Railroad Co. purchase bonds sinking fund, Act No. 2625.....	1,611,498.97
Manila port works and improvement bonds sinking fund, Act No. 2908.....	1,261,080.08
Public improvement bonds sinking fund of 1921, Act No. 2940.....	3,024,371.79
Irrigation and permanent public works bonds sinking fund, Act No. 3013.....	1,444,903.24
Financial interest protection bonds sinking fund, Act No. 2999.....	621,022.19
Currency bonds sinking fund, Act No. 3058.....	2,812,300.35
Total reserve for insular bonds.....	24,356,945.70

Provincial and municipal bonds:

Manila sewer and waterworks bonds sinking fund, Act No. 1323.....	4,119,584.01
City of Manila public improvement bonds sinking fund, Act No. 2894.....	585,381.05
Cebu sewer and waterworks bonds sinking fund, Act No. 2009.....	75,050.03
Santa Cruz, Laguna, sewer and waterworks bonds sinking fund, Act No. 2773.....	11,397.56
Majayjay, Laguna, sewer and waterworks bonds sinking fund, Act No. 2773.....	5,000.85
Bangued, Abra, waterworks bonds sinking fund, Act. No. 2838.....	5,000.79
Total reserve for provincial and municipal bonds.....	4,801,414.29
Grand total.....	29,158,359.99

The following statement shows the per capita indebtedness of the Philippine Islands from 1921 to 1925:

Year	Amount of indebtedness of the insular government	Population ¹	Per capita indebtedness
1921.....	P64,000,000	10,945,628	5.85
1922.....	130,000,000	11,164,541	11.64
1923.....	134,500,000	11,387,832	11.81
1924.....	139,000,000	11,615,589	11.96
1925.....	146,100,000	11,847,899	12.33

¹ Population estimated only; based on the 1918 census and at a yearly increase of about 2 per cent.

INVESTMENTS

The following statement shows the status of the investments on December 31, 1924 and 1925, made from different funds under the control and custody of the insular treasurer:

Title of accounts and funds	Amount invested on—	
	Dec. 31, 1924	Dec. 31, 1925
General fund.....	P43,258,899.60	P48,319,742.87
Sinking funds:		
Land, purchase bonds, Act No. 1749.....	7,693,412.79	8,252,772.24
Public improvement bonds of 1905, 1906, and 1909, Acts Nos. 1301, 1444, and 1953.....	4,573,861.66	5,044,255.55
Railroad purchase bonds, Act No. 2675.....	1,285,100.00	1,432,500.00
Manila port works and improvement bonds, Act No. 2908.....	750,000.00	1,243,000.00
Public improvement bonds of 1921, Act No. 2940.....	1,496,000.00	3,016,000.00
Financial interest protection bonds, Act No. 2999.....	408,000.00	613,000.00
Currency bonds, Act No. 3058.....	1,816,000.00	2,799,000.00
Irrigation and permanent public works bonds, Act No. 3013.....	660,000.00	1,142,000.00
Manila sewer and waterworks bonds, Act No. 1323.....	3,662,312.50	4,061,192.50
City or Manila, improvement bonds, Act No. 2894.....	336,000.00	466,000.00
Cebu waterworks bonds, Act No. 2009.....	64,000.00	71,000.00
Santa Cruz, Laguna, waterworks bonds, Act No. 2773.....	8,000.00	10,000.00
Majayjay, Laguna, waterworks bonds, Act No. 2773.....	3,000.00	3,000.00
Bangued, Abra, waterworks bonds, Act No. 2773.....	3,000.00	3,000.00
Manila Railroad Co. southern lines bonds, Act No. 2574.....	35,202.28	41,113.65
Special funds:		
Land title assurance fund, Act No. 496.....	67,297.60	67,297.60
Fidelity bond premium fund, sec. 313-335, Act No. 2711.....	45,000.00	45,000.00
Purchase of the Manila Railroad Co. stocks, Act No. 2574.....	8,000,000.00	8,000,000.00
Total.....	74,165,086.43	84,629,874.41

The increase of ₱10,464,787.98 is due mainly to the acquisition under section 1 of Act No. 3174, of 23,751 shares of stock of the Philippine National Bank owned by private persons; to the purchase of Manila sewer and waterworks bonds in accordance with the provisions of Act No. 3204; and to the investment of the various sinking funds in bonds recently sold under Act No. 3013. The 23,751 shares of stock of the Philippine National Bank above mentioned were purchased at ₱2,307,380, or ₱67,720 below par. The latter amount, which represents the excess of the government fixed deposit set aside for the repurchase of said stocks, was used in writing off losses of said bank under the provisions of Act No. 3174.

GUARANTY OF INTEREST ON BOND ISSUES OF RAILWAY CORPORATIONS

Under authority of an act of Congress approved February 6, 1905, the insular government guarantees 4 per cent interest, for a period not to exceed 30 years, on the first-lien bonds issued by the Philippine Railway Co. for the construction

of certain lines in the islands of Panay and Cebu and on the 4 per cent first-lien bonds of what are known as the southern lines of the Manila Railroad Co.

On February 16, 1922, the Manila Railroad Co. again voted to issue 7 per cent sinking-fund bonds in the sum of \$1,500,000, to mature on May 1, 1937, for the purpose of paying certain indebtedness and for the construction of certain lines, and to provide for a sinking fund to pay such bonds and interest thereon. To guarantee this issue, both principal and interest, the Philippine Legislature passed Act No. 3008 on February 28 of the same year.

The combined issues of said companies on December 31, 1925, totaled \$23,896,000 United States currency.

REJECTED AGRICULTURAL BANK LOANS

The outstanding loans on December 31, 1925, aggregated ₱92,553.69 and represent loans rejected by the Philippine National Bank at the time said bank took over the assets and liabilities of the late Agricultural Bank in accordance with the provisions of section 6 of Act No. 2747, as amended by Act No. 2938, and those that have been subsequently returned by the Philippine National Bank as uncollectible, pursuant to section 7 of the above-mentioned act, as amended. During the year no loan was returned by the Philippine National Bank.

The following is a complete list of the outstanding loans at the close of business on December 31, 1925:

Loan No.	Principal	Interest	Total	Loan No.	Principal	Interest	Total
250-----	₱2,000.00	₱373.70	₱2,373.70	692-----	₱358.03	₱67.93	₱425.96
263-----	15,000.00	2,983.64	17,983.64	873-----	11,000.00	4,624.86	15,624.86
275-----	6,000.00	1,019.15	7,019.15	942-----	4,900.00	-----	4,900.00
417-----	7,500.00	386.62	7,886.62	926-----	2,008.85	-----	2,008.85
424-----	3,000.00	-----	3,000.00	983-----	8,000.00	950.38	8,950.38
510-----	2,998.08	136.83	3,134.91	992-----	3,151.31	-----	3,151.31
528-----	4,894.00	-----	4,894.00				
531-----	11,200.31	-----	11,200.31	Total..	82,010.58	10,543.11	92,553.69

MINT OF THE PHILIPPINE ISLANDS

The mint was reopened on January 2, 1925, and operated by the general fund during the first semester and by the gold-standard fund during the second. Its personnel consisted of 1 superintendent, who is the cashier and chief of the cash division; 1 assistant superintendent and assistant cashier; and 14 foremen, mechanics, and operators.

The output of the mint in the first semester was ₱65,410.45, with a total expense of ₱49,516.14, while the output in the second semester was ₱77,839.55, with a total expense of ₱57,068.39. The ratio of expenses to production was 75½ per cent for the first semester and 73¼ per cent for the second.

BANKS AND BANKING

The following banks and trust company were engaged in business during the year:

Domestic:

- Philippine National Bank, Manila, with branches at Iloilo, Cebu, Legaspi, Lucena, Cabanatuan, Dagupan, and Davao, P. I.; subagency of Iloilo at Bacolod, Negros Occidental, and agency in New York, N. Y.
- Bank of the Philippine Islands, Manila, with branches in Iloilo, Zamboanga, and Cebu.
- China Banking Corporation, Manila, with branch in Amoy, China.
- Mercantile Bank of China, Manila.
- Monte de Piedad & Savings Bank, Manila.
- The Philippine Trust Co., Manila.
- Postal Savings Bank, Manila.
- The Students' Bank, Munoz, Nueva Ecija.

Foreign:

International Banking Corporation; branch in Manila, with subagency in Cebu, Cebu.

Hongkong & Shanghai Banking Corporation; branch in Manila, with subagency in Iloilo.

Chartered Bank of India, Australia, and China; branch in Manila, with subagencies in Cebu, Iloilo, and Zamboanga.

The Yokohama Specie Bank; branch in Manila.

A comparative statement of the resources and the liabilities of all banks and trust companies engaged in business in the islands at the close of business on December 31, 1924 and 1925, is given below:

	Dec. 31—		Increase (+); decrease (—)
	1924	1925	
RESOURCES			
Loans and discounts.....	P108,366,918.06	P105,386,824.70	—P2,980,093.36
Overdrafts.....	38,826,171.36	42,187,717.92	+3,321,546.56
Stocks, securities, etc.....	12,922,463.21	14,158,473.07	+1,236,009.86
Banking house, furniture, and fixtures.....	2,363,534.29	2,359,953.01	—3,581.28
Other real estate and mortgages owned.....	3,036,621.08	1,866,705.53	—1,169,915.55
Due from head office, branches, agents, and correspondents.....	51,280,400.88	54,672,144.17	+3,391,743.29
Due from other banks.....	6,137,603.92	7,571,529.82	+1,433,925.90
Bills of exchange.....	14,638,411.13	17,064,006.89	+2,425,595.76
Cash on hand.....	28,369,354.67	29,056,364.89	+687,010.22
Checks and other cash items.....	1,093,593.89	963,298.44	—130,295.45
Profit and loss account.....	1,339,100.97	137,661.59	—1,201,439.38
Resources other than those above.....	12,115,183.46	12,165,971.61	+50,788.15
Total.....	280,529,356.92	287,590,651.64	+7,061,294.72
LIABILITIES			
Capital stock.....	24,968,550.00	24,986,991.00	+18,441.00
Reserve fund.....	4,980,741.25	7,836,447.83	+2,855,706.58
Undivided profits.....	805,399.16	2,425,687.42	+1,620,288.26
Bank notes in circulation.....	41,304,059.20	39,853,484.20	—1,450,575.00
Due to head office, branches, agents, and correspondents.....	27,263,390.14	50,884,738.05	+23,621,347.91
Due to other banks.....	21,490,822.93	1,801,458.90	—19,689,364.03
Dividends due and unpaid.....	917.50	749.50	—168.00
Demand deposits.....	71,483,766.36	79,152,566.31	+7,668,799.95
Time deposits.....	52,290,605.84	33,333,896.83	—18,956,709.01
Savings deposits.....	20,104,919.05	35,670,904.87	+15,565,985.82
Bills payable:			
Domestic.....	9,264.17	24,078.65	+14,814.48
Foreign.....	866,217.76	532,026.29	—334,191.47
Cashiers' checks outstanding.....	391,103.09	400,649.67	+9,546.58
Certified checks.....	209,855.92	368,791.83	+158,935.91
Profit and loss account.....	865,534.79	497,126.49	—368,408.30
Suspense account.....	59,364.63	4,849.25	—54,515.38
Liabilities other than those above.....	13,434,845.13	9,816,204.55	—3,618,640.58
Total.....	280,529,356.92	287,590,651.64	+7,061,294.72

The increase of P7,061,294.72 in the total resources and liabilities is due mainly to the increase in deposits amounting to P4,278,076.76. The circulation of bank notes showed a net decrease of P1,450,575, which corresponds almost to the Philippine National Bank circulating notes redeemed under the provisions of Act No. 3174.

MUTUAL BUILDING AND LOAN ASSOCIATIONS

During the year 1925 the following eight mutual building and loan associations were engaged in business, with a subscription capital of P34,076,875 and a paid-up capital of P11,567,233.39 on December 31, 1925.

Name of association	Date of incorporation	Head office
Manila Building & Loan Association.....	July 12, 1904	Manila.
"El Hogar Filipino" Mutual Building & Loan Association.....	Dec. 29, 1910	Do.
Zamboanga Mutual Building & Loan Association.....	Jan. 11, 1912	Zamboanga.
Cebu Mutual Building & Loan Association.....	Aug. 17, 1922	Cebu.
"Pangasinan Home" Mutual Building & Loan Association.....	July 5, 1923	Dagupan, Pang.
"Balayni" Mutual Building & Loan Association.....	July 17, 1923	Baguio.
"La Urbana" Mutual Building & Loan Association.....	Aug. 1, 1923	Manila.
Narciseñan Mutual Building & Loan Association.....	Jan. 27, 1924	Iba, Zambales.

The total resources of the above-mentioned associations as of December 31, 1925, amounted to ₱45,041,829.55, as against ₱42,398,836.45 on December 31, 1924.

INSURANCE

On December 31, 1925, there were 9 fire, 5 marine, 4 life, 25 fire and marine, and 22 miscellaneous insurance companies engaged in business in the Philippine Islands. The business done by said companies in the Philippine Islands as per statements filed with this office is as follows:

Fire insurance

	1924	1925
Net risks written.....	₱280,629,224.47	₱307,743,425.33
Net premiums received.....	3,428,786.75	3,677,429.19
Net losses incurred.....	1,833,107.04	1,986,514.31
Net losses paid.....	2,062,429.76	1,496,393.96
Ratio of losses incurred to premiums received, per cent.....	53.4	54.0

Marine insurance

	1924	1925
Net risks written.....	₱372,107,833.76	₱377,531,110.06
Net premiums received.....	1,463,758.41	1,642,000.28
Net losses incurred.....	715,818.56	1,016,069.81
Net losses paid.....	917,431.61	1,086,059.97
Ratio of losses incurred to premiums received, per cent.....	48.9	61.9

*Life insurance*¹

1923

Insurance in force, Jan. 1, 1923.....	₱55,858,621.82
Insurance issued, revived and increased during the year.....	{ number.. 5,635 amount.. ₱16,169,375.33
Insurance terminated.....	₱12,851,917.60
Policies in force, Dec. 31, 1923.....	{ number.. 18,678 amount.. ₱59,176,079.55
Claims paid.....	₱739,558.91
Losses and claims unpaid, Dec. 31, 1923.....	₱230,925.81

1924

Insurance in force, Jan. 1, 1924.....	₱59,149,429.00
Insurance issued, revived and increased during the year.....	{ number.. 4,610 amount.. ₱15,150,959.00
Insurance terminated.....	₱11,872,053.00
Policies in force, Dec. 31, 1924.....	{ number.. 19,323 amount.. ₱62,428,335.00
Claims paid.....	₱862,019.77
Losses and claims unpaid, Dec. 31, 1924.....	₱449,805.28

¹ The data for 1925 are not available at the writing of this report.

Miscellaneous insurance

1924

	Accident	Motor car	Fidelity and surety	Plate glass	Typhoon, flood, and earthquake	Others
Net risks written.....	P539,295.00	P2,694,795.00	P6,702,417.23	-----	P6,806,400.00	-----
Net premiums received.....	7,666.94	94,258.25	230,102.02	P1,019.14	31,683.99	-----
Net losses incurred.....	1,061.80	25,436.20	11,039.96	419.00	-----	-----
Net losses paid.....	1,061.80	40,977.00	17,450.31	419.00	-----	-----
Ratio of losses incurred to premiums received, per cent.....	14	27	4.8	41	-----	-----

1925

Net risks written.....	P835,475.00	P2,581,711.00	P10,200,117.64	-----	P6,567,450.00	P7,255,500.00
Net premiums received.....	14,763.47	101,119.64	249,328.04	P1,099.52	19,303.52	38,056.15
Net losses incurred.....	6,822.89	39,689.79	4,932.30	-----	-----	-----
Net losses paid.....	5,932.89	33,966.45	15,293.58	-----	-----	-----
Ratio of losses incurred to premiums received, per cent.....	46.2	39.3	2.0	-----	-----	-----

BUREAU OF CUSTOMS

CUSTOMS COLLECTIONS

Total customs gross and net receipts for the fiscal year ended December 31, 1925, as compared with 1924

	1925	1924	Increase (+); decrease (-)
BY PORTS			
Manila.....	P17,652,976.33	P17,417,387.42	+P235,588.91
Iloilo.....	1,631,453.19	1,196,351.83	+435,101.36
Cebu.....	2,364,613.70	2,459,723.54	-95,109.84
Jolo.....	174,481.42	215,869.60	-41,388.18
Zamboanga.....	395,395.82	345,276.55	+50,119.27
Total.....	22,218,920.46	21,634,608.94	+584,311.52
BY SOURCES			
Import duties.....	18,467,236.15	18,110,751.31	+356,484.84
Wharfage.....	2,165,962.78	1,929,909.86	+236,052.92
Immigration dues.....	256,592.00	264,096.00	-7,504.00
Tonnage dues.....	355,144.51	368,084.46	-12,939.95
Customs stamps.....	568,626.06	541,159.72	+27,466.34
Fines, penalties, and forfeitures.....	31,913.16	50,502.31	-18,589.15
Storage.....	21,567.18	21,824.94	-257.76
Surplus, auction sales.....	4,879.27	38,048.65	-33,169.38
Arrastre collections.....	27,862.79	15,104.29	+12,758.50
Government pier collections.....	122,322.97	123,560.63	-1,237.66
Various other sources.....	196,813.59	171,566.77	+25,246.82
Total.....	22,218,920.46	21,634,608.94	+584,311.52
Refunds.....	498,668.41	624,067.31	-125,398.90
Net total.....	21,720,252.05	21,010,541.63	+709,710.42

The cost to the service for collecting a peso of customs revenue has been declining since 1919, in which year the highest figure of 9 centavos was registered, while in 1925 the cost of such service only amounted to a little more

than 4 centavos. The following table shows the total receipts, expenditures, and cost of collection per peso by fiscal years from 1899 to 1925:

Gross receipts and expenditures of the Bureau of Customs, by fiscal years

[Internal-revenue tax collections excluded]

	Gross receipts	Expenditures	Cost of service per peso collected
Fiscal year ending June 30—			
1899.....	P6,212,760.68	P65,248.48	P0.010
1900.....	11,084,578.36	206,786.28	.018
1901.....	17,963,627.70	262,101.78	.026
1902.....	17,057,876.24	867,178.32	.051
1903.....	19,081,413.84	976,173.34	.051
1904.....	16,987,736.52	1,126,927.58	.066
1905.....	16,526,888.50	1,040,557.74	.063
1906.....	15,106,412.12	982,163.36	.065
1907.....	16,389,417.04	922,222.90	.056
1908.....	16,636,040.78	902,926.26	.054
1909.....	17,078,197.74	960,062.62	.055
1910.....	16,572,147.12	929,117.30	.056
1911.....	17,357,620.68	903,339.26	.052
1912.....	18,726,592.56	902,312.30	.048
1913.....	16,492,051.92	957,956.12	.058
July to December, 1913.....	6,807,053.24	579,422.52	.085
Fiscal year ending Dec. 31—			
1914.....	11,897,092.28	1,059,725.70	.089
1915.....	12,808,378.55	830,896.55	.076
1916.....	12,220,315.36	892,073.06	.073
1917.....	13,571,007.34	952,372.47	.070
1918.....	16,440,536.19	1,108,585.71	.067
1919.....	14,425,307.38	1,315,107.89	.091
1920.....	17,757,865.34	1,600,805.78	.090
1921.....	16,863,064.14	1,505,877.62	.089
1922.....	15,229,269.99	1,135,297.43	.074
1923.....	17,058,562.33	977,307.30	.066
1924.....	21,634,608.94	1,036,446.95	.048
1925.....	22,218,920.46	1,025,999.65	.046

The following is a comparative statement of internal-revenue taxes collected on imported articles subject to internal-revenue tax, showing an increase of 28.5 per cent, the increase being due to increased importations of articles subject to said tax:

Gross internal revenue collections made by the bureau of customs during fiscal year ended Dec. 31, 1925, as compared with 1924

By ports	1925	1924	Increase	Decrease
Manila.....	P4,350,347.46	P3,393,215.82	P957,131.64	-----
Iloilo.....	408,023.65	313,435.65	94,588.00	-----
Cebu.....	441,038.11	331,109.90	109,928.21	-----
Jolo.....	13,036.27	15,129.63	-----	P2,093.36
Zamboanga.....	107,945.64	67,188.24	40,757.40	-----
Total.....	5,320,391.13	4,120,079.24	1,202,405.25	2,093.36
Less refunds.....	83,069.78	47,166.22	35,903.46	-----
Net collections.....	5,237,321.35	4,072,913.02	1,164,408.33	-----

FOREIGN COMMERCE

The following tables show the origin of our imports and the destination of our products, illustrating the general increase of our foreign trade:

FOREIGN COMMERCE, 1925

Countries	Imports	Exports	Total trade
United States.....	P138, 595, 166	P218, 089, 883	P356, 685, 049
Hawaii.....	1, 711, 675	697, 443	2, 409, 118
Porto Rico.....		7, 200	7, 200
Guam.....	460	359, 833	360, 293
Great Britain.....	13, 051, 181	22, 460, 139	35, 511, 320
Ireland.....	433, 715	400	435, 115
Japan.....	21, 883, 872	11, 735, 380	33, 625, 252
China.....	13, 927, 998	6, 939, 840	20, 867, 838
French East Indies.....	13, 006, 400	72, 578	13, 078, 978
Germany.....	5, 530, 185	4, 665, 463	10, 195, 648
Spain.....	1, 416, 222	8, 704, 285	10, 120, 507
Australia.....	5, 843, 072	1, 954, 622	7, 797, 694
British East Indies.....	5, 414, 077	2, 274, 444	7, 688, 521
Dutch East Indies.....	6, 581, 469	615, 244	7, 196, 713
France.....	2, 705, 625	3, 758, 268	6, 463, 893
Netherlands.....	1, 070, 128	3, 630, 596	4, 700, 724
Italy.....	677, 107	3, 627, 783	4, 304, 890
Hongkong.....	370, 691	3, 846, 835	4, 217, 526
Belgium.....	1, 102, 940	2, 457, 158	3, 560, 098
Switzerland.....	2, 522, 376	43, 059	2, 565, 435
Japanese-China.....	1, 656, 845	66, 188	1, 723, 033
Siam.....	363, 092	160, 872	523, 964
Sweden.....	377, 464	74, 137	451, 601
Canada.....	195, 149	229, 644	424, 793
Norway.....	208, 103	162, 281	370, 384
Austria.....	248, 558		248, 558
Denmark.....	109, 444	106, 843	216, 287
Other countries.....	455, 653	1, 013, 992	1, 469, 645
Total.....	239, 465, 667	297, 754, 410	537, 220, 077

FOREIGN COMMERCE, 1924

United States.....	P120, 797, 206	P194, 627, 805	P315, 425, 011
Hawaii.....	1, 866, 281	761, 556	2, 627, 837
Porto Rico.....		50	50
Guam.....	896	304, 346	305, 242
United Kingdom.....	11, 168, 443	18, 857, 640	30, 026, 083
Japan.....	17, 087, 685	12, 543, 910	29, 631, 595
China.....	13, 960, 595	5, 988, 900	19, 949, 495
French East Indies.....	19, 691, 631	64, 958	19, 756, 589
Germany.....	4, 225, 273	5, 298, 903	9, 524, 176
Spain.....	1, 308, 468	8, 910, 431	10, 218, 899
Australia.....	4, 874, 755	1, 300, 631	6, 175, 386
British East Indies.....	3, 183, 498	1, 753, 829	4, 937, 327
Dutch East Indies.....	6, 769, 004	487, 479	7, 256, 483
France.....	2, 299, 188	4, 715, 448	7, 014, 636
Netherlands.....	823, 212	3, 373, 807	4, 197, 019
Italy.....	360, 571	2, 854, 069	3, 214, 640
Hongkong.....	864, 130	4, 507, 562	5, 371, 692
Belgium.....	676, 520	2, 463, 646	3, 140, 166
Switzerland.....	3, 264, 805	60, 562	3, 325, 367
Japanese-China.....	1, 020, 504	36, 612	1, 057, 116
Siam.....	206, 984	101, 226	308, 210
Sweden.....	187, 819	7, 480	195, 299
Canada.....	307, 202	666, 148	973, 350
Norway.....	162, 735	118, 098	280, 833
Austria.....	232, 298	15, 600	247, 898
Denmark.....	98, 110	860	98, 970
Other countries.....	583, 977	867, 769	1, 451, 746
Total.....	216, 021, 790	270, 689, 325	486, 711, 115

PRINCIPAL ARTICLES IMPORTED

In the order of their importance as to value, the 10 principal articles imported by the islands during the year are as follows:

1. *Cotton and its manufactures.*—Twenty-three per cent of the total importations of the islands during the year consists of cotton and its manufactures, showing an increase of 11 per cent over similar

importations in 1924. Importations per capita in 1903 and from 1921 to 1925 are as follows:

Year	Value	Per capita	Per cent of total imports	Percentage of increase (+) or decrease (—) over preceding year
1903.....	P10, 137, 576	P1. 33	15	-----
1921.....	38, 859, 379	3. 52	17	+283
1922.....	47, 229, 720	4. 18	29	+21
1923.....	46, 270, 197	4. 00	26	-2
1924.....	49, 379, 481	4. 18	23	+6
1925.....	55, 196, 619	4. 66	23	+11

The principal source of the islands' supply of cotton goods is the United States, 51 per cent of the total having been imported from that country. Japan and the United Kingdom come next, with China and Switzerland ranking fourth and fifth, respectively, as shown in the following table:

Cotton goods

Imported from—	1925		1924	
	Value	Per cent	Value	Per cent
United States.....	P28, 918, 304	52. 39	P25, 627, 478	51. 89
Japan.....	12, 203, 552	22. 11	9, 362, 090	18. 96
Great Britain.....	8, 022, 765	14. 53	6, 597, 272	13. 36
China.....	2, 990, 974	5. 42	4, 046, 047	8. 21
Switzerland.....	1, 905, 231	3. 45	2, 671, 657	5. 41
Germany.....	568, 163	1. 03	431, 310	. 87
France.....	255, 461	. 46	272, 495	. 55
British East Indies.....	125, 721	. 23	158, 974	. 32
Spain.....	67, 242	. 12	106, 787	. 22
Austria.....	63, 505	. 12	36, 374	. 07
All other.....	75, 701	. 14	68, 997	. 14
Total.....	55, 196, 619	100. 00	49, 379, 481	100. 00

2. *Iron and steel and their manufactures.*—Thirteen per cent of the total importations of the islands consists of iron and steel and their manufactures, showing an increase of 15 per cent over similar importation in 1924. Importations per capita in 1903 and from 1921 to 1925 are as follows:

Year	Value	Per capita	Per cent of total imports	Percentage of increase (+) or decrease (—) over preceding year
1903.....	P4, 259, 020	P0. 56	6	-----
1921.....	43, 529, 079	3. 94	19	+922
1922.....	15, 208, 761	1. 35	9	-65
1923.....	17, 392, 001	1. 51	10	+14
1924.....	24, 094, 119	2. 04	12	+38
1925.....	27, 919, 939	2. 36	13	+15

The largest portion of these imports, or 76 per cent, come from the United States. The following table shows the origin of these goods:

Iron and steel and their manufactures

Imported from—	1925		1924	
	Value	Per cent	Value	Per cent
United States.....	P21,264,889	76.16	P18,701,669	77.62
Germany.....	2,013,695	7.21	1,132,602	4.70
Hawaii.....	1,206,586	4.32	1,456,953	6.05
Great Britain.....	1,037,108	3.71	1,280,256	5.32
Japan.....	771,201	2.76	519,118	2.15
Belgium.....	653,653	2.34	253,818	1.05
Sweden.....	218,713	.78	108,023	.45
Dutch East Indies.....	192,719	.69	185,973	.77
China.....	151,850	.54	70,850	.29
France.....	144,280	.52	38,739	.16
All other.....	265,245	.97	346,118	1.44
Total.....	27,919,939	100.00	24,094,119	100.00

3. *Mineral oils.*—Mineral oils imported constitute 8 per cent of our total importations during the year, showing an insignificant increase only over imports of the same kind in 1924. Importations per capita in 1903 and from 1921 to 1925 are as follows:

Year	Value	Per capita	Per cent of total imports	Percentage of increase (+) or decrease (—) over preceding year
1903.....	P1,252,384	P0.16	2	-----
1921.....	22,801,533	2.06	10	+1,721
1922.....	13,347,303	1.18	8	-41
1923.....	13,360,632	1.16	8	(¹)
1924.....	17,340,039	1.47	8	+29
1925.....	17,358,936	1.47	8	(¹)

¹ Less than one-half of 1 per cent.

The countries of origin, value from each, and the different kinds of these imported products are given in the following tables:

Mineral oils

Imported from—	1925		1924	
	Value	Per cent	Value	Per cent
United States.....	P13,640,102	78.58	P13,566,937	78.24
Dutch East Indies.....	3,647,976	21.02	3,698,761	21.33
Great Britain.....	66,839	.38	72,087	.42
All other.....	4,019	.02	2,254	.01
Total.....	17,358,936	100.00	17,340,039	100.00

4. *Rice.*—Importations per capita in 1903 and from 1921 to 1925 are as follows:

Year	Value	Per capita	Per cent of total imports	Percentage of increase (+) or decrease (—) over preceding year
1903.....	P25,104,764	P3.29	37	-----
1921.....	6,649,395	.61	3	-73
1922.....	4,604,315	.40	3	-31
1923.....	7,412,861	.64	5	+60
1924.....	13,525,837	1.57	8	+149
1925.....	12,826,439	1.08	5	-30

Almost all of the rice brought in came from the French East Indies, as usual. The whole quantity and value imported may be seen in the following table:

Rice

Imported from—	1925		1924	
	Quantity	Value	Quantity	Value
	<i>Kilos</i>		<i>Kilos</i>	
French East Indies.....	98,771,365	P12,413,925	148,379,888	P18,155,970
Siam.....	2,046,776	359,326	1,268,554	187,181
British East Indies.....	351,599	45,711	1,434,256	176,689
Spain.....	15,435	4,636	16,535	4,057
Japan.....	13,697	2,820	9,348	1,908
United States.....	45	21	212	32
Total.....	101,198,917	12,826,439	151,108,793	18,525,837

5. *Wheat flour*.—Imports of wheat flour constitute 4 per cent of our total importations during the year, and show an increase of 39 per cent compared with the previous year. Importations per capita in 1903 and from 1921 to 1925 are as follows:

Year	Value	Per capita	Per cent of total imports	Percentage of increase (+) or decrease (—) over preceding year
1903.....	P1,615,708	P0.21	2	—
1921.....	7,017,174	.64	3	+334
1922.....	5,783,194	.51	4	—17
1923.....	6,995,754	.61	4	+20
1924.....	8,042,178	.68	4	+14
1925.....	11,213,350	.95	4	+39

The countries of origin and value from each of wheat flour imported are as follows:

Imported from—	1925		1924	
	Value	Per cent	Value	Per cent
United States.....	P9,453,446	84.30	P6,746,622	83.89
Australia.....	1,543,281	13.76	1,221,160	15.18
China.....	149,820	1.34	2,403	.03
Canada.....	62,716	.56	71,167	.89
British East Indies.....	2,938	.03	780	.01
All other.....	1,149	.01	46	—
Total.....	11,213,350	100.00	8,042,178	100.00

6. *Meat and dairy products*.—Four per cent of our total imports during the year consists of meat and dairy products, registering an increase of 11 per cent over similar imports in 1924. Importations per capita in 1903 and from 1921 to 1925 are as follows:

Year	Value	Per capita	Per cent of total imports	Percentage of increase (+) or decrease (-) over preceding year
1903.....	P1,934,026	P0.25	3	-----
1921.....	10,581,020	.96	5	+447
1922.....	8,548,054	.76	5	-19
1923.....	8,607,791	.74	5	(1)
1924.....	9,862,502	.83	4	+14
1925.....	10,938,943	.92	4	+11

¹ Less than one-half of 1 per cent.

The countries of origin, value from each, and the different kinds of these imported products are shown in the following tables:

Imported from—	1925		1924	
	Value	Per cent	Value	Per cent
United States.....	P5,899,819	53.93	P5,224,671	52.98
Australia.....	2,221,040	20.30	1,823,389	18.49
China.....	1,713,745	15.67	1,634,115	16.57
Netherlands.....	394,542	3.61	294,286	2.98
Switzerland.....	174,984	1.60	204,696	2.08
Denmark.....	104,521	.95	72,874	.74
Uruguay.....	83,292	.76	43,430	.44
Spain.....	69,675	.64	68,279	.69
Norway.....	64,146	.59	53,391	.54
New Zealand.....	53,286	.49	237,682	2.41
All other.....	159,893	1.46	205,689	2.08
Total.....	10,938,943	100.00	9,862,502	100.00

7. *Automobiles, parts of and tires for.*—Importations of this kind constitute 4 per cent of our total importations, showing an increase of 42 per cent compared with the previous year. Importations per capita from 1921 to 1925 are as follows:

Year	Value	Per capita	Per cent of total imports	Percentage of increase (+) or decrease (-) over preceding year
1921.....	P9,645,260	P0.87	4	-----
1922.....	3,003,615	.27	2	-69
1923.....	4,434,151	.38	2	+47
1924.....	6,484,206	.55	3	+46
1925.....	9,212,313	.78	4	+42

8. *Paper and its manufactures.*—Imports of these articles constitute 2 per cent of our total importations, and show an increase of 8 per cent compared with the previous year. Importations per capita in 1903 and 1921 to 1925 are as follows:

Year	Value	Per capita	Per cent of total imports	Percentage of increase (+) or decrease (-) over preceding year
1903.....	P 896,786	P0.12	1	-----
1921.....	9,080,017	.82	4	+913
1922.....	4,919,748	.44	3	-45
1923.....	6,105,883	.53	3	+24
1924.....	6,304,187	.53	3	+3
1925.....	6,813,821	.58	2	+8

The countries of origin, value from each, and the principal classes of these imported articles are as follows:

Paper and its manufactures

Imported from—	1925		1924	
	Value	Per cent	Value	Per cent
United States.....	P4,985,257	73.16	P4,422,082	70.14
France.....	264,240	3.88	333,732	5.29
Japan.....	261,959	3.84	346,577	5.50
Germany.....	243,747	3.58	197,685	3.14
Spain.....	231,763	3.40	253,911	4.03
China.....	164,304	2.41	176,861	2.80
Austria.....	161,851	2.38	187,127	2.97
Sweden.....	132,559	1.95	66,632	1.06
Netherlands.....	111,360	1.63	84,384	1.34
Great Britain.....	91,005	1.34	111,385	1.77
All other.....	165,776	2.43	123,811	1.96
Total.....	6,813,821	100.00	6,304,187	100.00

9. *Silk and its manufactures.*—These articles constitute 2 per cent of our total importations, and show an increase of 28 per cent compared with the preceding year. Importations per capita in 1903 and from 1921 to 1925 are as follows:

Year	Value	Per capita	Per cent of total imports	Percentage of increase (+) or decrease (−) over preceding year
1903.....	P1,069,636	P0.14	2	-----
1921.....	3,721,638	.34	2	+247
1922.....	3,117,454	.28	2	−16
1923.....	3,257,122	.28	2	+4
1924.....	4,371,446	.37	2	+34
1925.....	5,615,807	.47	2	+28

The countries of origin of these goods, value from each, and the principal classes are as follows:

Imported from—	1925		1924	
	Value	Per cent	Value	Per cent
United States.....	P2,247,238	40.02	P1,907,989	43.65
China.....	1,567,778	27.92	1,138,254	26.04
Japan.....	867,362	15.44	530,211	12.13
Great Britain.....	465,187	8.28	259,136	5.93
Germany.....	199,052	3.54	168,155	3.85
France.....	143,827	2.56	174,917	4.00
Switzerland.....	66,653	1.19	149,647	3.42
Spain.....	29,934	.53	32,520	.74
Italy.....	13,504	.25	3,900	.09
British East Indies.....	11,912	.21	4,809	.11
All other.....	3,060	.06	1,908	.04
Total.....	5,615,807	100.00	4,371,446	100.00

10. *Coal.*—Of the 10 largest imports of the islands during the year, coal is the only one that registered a decrease compared with the preceding year, the decrease being 6 per cent. Importations per capita in 1903 and from 1921 to 1925 are as follows:

Year	Value	Per capita	Per cent of total exports	Percentage of increase (+) or decrease (-) over preceding year
1903.....	P1,236,156	P0.16	2	-----
1921.....	6,987,004	.63	3	+465
1922.....	5,009,362	.44	4	-28
1923.....	4,997,302	.43	3	(1)
1924.....	4,581,515	.39	2	-8
1925.....	4,284,027	.36	2	-6

¹ Less than one-half of 1 per cent.

The countries of origin and quantity and value from each are as follows:

Coal

Imported from—	1925		1924	
	Kilos	Value	Kilos	Value
Japanese-China.....	202,060,442	P1,656,782	101,962,280	P1,020,504
Japan.....	136,653,373	1,275,449	125,499,559	1,209,491
Australia.....	109,619,451	1,119,356	138,349,237	1,295,988
Dutch East Indies.....	18,468,848	204,135	5,077,968	48,639
British East Indies.....	3,034,792	27,396	3,083,560	41,998
United States.....	27,482	858	30,721,357	378,809
China.....	5,717	51	19,176,838	179,804
French East Indies.....	-----	-----	47,177,960	280,276
British Africa.....	-----	-----	8,644,432	125,931
Great Britain.....	-----	-----	5,080	75
Total.....	469,870,105	4,284,027	479,698,301	4,581,515

Other imports.—Articles other than the 10 principal ones above mentioned have a total value of P78,085,473, showing an increase of 16 per cent compared with the value of similar goods imported in 1924.

PRINCIPAL ARTICLES EXPORTED

In the order of their importance as to value, the 10 principal local products exported during the year are as follows:

1. *Sugar.*—The value of sugar exported during the year reached P91,028,005, as compared with P83,736,173 in 1924, or an increase of 9 per cent. It is the largest item of our exportations, constituting 30 per cent thereof.

Exportations per capita in 1903 and from 1921 to 1925 are as follows:

Year	Value	Per capita	Per cent of total exports	Percentage of increase (+) or decrease (-) over preceding year
1903.....	P6,650,468	P0.87	10	-----
1921.....	51,037,454	4.62	29	+667
1922.....	51,165,110	4.53	27	(1)
1923.....	69,038,246	5.97	29	+34
1924.....	83,736,173	7.08	31	+21
1925.....	91,028,005	7.68	30	+9

¹ Less than one-half of 1 per cent.

All of our centrifugal and refined sugar went to the United States and Guam, while the largest portions of the muscovado were distributed among China, Hongkong, and Japan.

The following table shows the distribution of our sugar:

Exports of sugar

Exported to—	1925		1924	
	Kilos	Value	Kilos	Value
Centrifugal:				
United States.....	459,272,578	P81,672,835	296,241,769	P73,570,475
All other countries.....			544	146
Total.....	459,272,578	81,672,835	296,242,313	73,570,621
Refined:				
United States.....	4,204,849	1,074,761	4,528,946	1,393,789
Guam.....	20,523	5,874	1,309	490
All other countries.....			670	270
Total.....	4,225,372	1,080,635	4,530,925	1,394,549
Muscovado (raw):				
China.....	45,520,092	4,402,806	26,096,555	3,747,565
Hongkong.....	23,173,753	2,320,297	17,623,030	2,652,608
Japan.....	14,031,063	1,453,851	13,188,735	2,342,640
United States.....	511,284	86,086	96,598	17,237
British East Indies.....	46,794	6,460	50,322	10,585
All other countries.....	51,158	5,038	1,840	368
Total.....	83,334,144	8,274,535	57,057,080	8,771,003

2. *Abaca (manila hemp).*—The second largest item of our exports is abaca, the value of the shipment sent abroad during the year being P71,043,292, as compared with P59,900,916 in 1924, or an increase of 18 per cent, and represents 24 per cent of our total exports. Exportations per capita in 1903 and from 1921 to 1925 are as follows:

Year	Value	Per capita	Per cent of total exports	Percentage of increase (+) or decrease (—) over preceding year
1903.....	P44,001,176	P5.76	68	-----
1921.....	25,969,385	2.35	15	—41
1922.....	39,081,829	3.46	20	+50
1923.....	49,903,150	4.32	21	+27
1924.....	59,900,916	5.07	22	+20
1925.....	71,043,292	5.99	24	+18

One-half of our abaca exports went to the United States, 23 per cent to the United Kingdom, and 11 per cent to Japan. The destination of the balance is shown in the following table:

Exports of abaca (manila hemp)

Exported to—	1925		1924	
	Value	Per cent	Value	Per cent
United States.....	P36,401,298	51.24	P30,534,475	50.98
Great Britain.....	17,026,733	23.97	14,215,252	23.73
Japan.....	7,094,676	10.83	6,872,193	11.47
France.....	1,893,789	2.67	1,681,905	2.81
Belgium.....	1,363,264	1.92	1,010,991	1.69
Netherlands.....	1,144,882	1.61	793,325	1.33
Spain.....	1,111,071	1.56	697,787	1.16
Australia.....	1,044,724	1.47	851,302	1.42
Germany.....	917,433	1.29	1,018,600	1.70
British East Indies.....	604,440	.85	328,243	.55
All other countries.....	1,841,012	2.59	1,896,843	3.16
	71,043,292	100.00	59,900,916	100.00

3. *Coconut oil*.—The value of coconut oil exported during the year reached ₱39,640,377, as against ₱37,622,061 in 1924, or an increase of 5 per cent. Exportations per capita in 1903 and from 1921 to 1925 are as follows:

Year	Value	Per capita	Per cent of total exports	Percentage of increase (+) or decrease (—) over preceding year
1903.....	₱162			
1921.....	32,103,036	₱2.91	18	
1922.....	31,468,971	2.70	16	—2
1923.....	28,133,164	2.43	10	—10
1924.....	37,622,061	3.18	14	+34
1925.....	39,640,377	3.35	14	+5

Almost all of our coconut oil exports went to the United States, 93 per cent thereof having been sent to the markets of that country, as shown in the following table:

Exports of coconut oil

Exported to—	1925		1924	
	Value	Per cent	Value	Per cent
United States.....	₱36,856,963	92.98	₱37,256,811	99.03
Great Britain.....	2,617,536	6.60		
China.....	157,584	.40	205,861	.54
Japan.....	4,988	.01	149,007	.40
Other countries.....	3,306	.01	10,402	.03
Total.....	39,640,377	100.00	37,622,081	100.00

4. *Copra*.—Copra exports during the year registered an increase of 3 per cent, from ₱30,703,764 in 1924 to ₱31,737,405 in 1925. Exportations per capita in 1903 and from 1921 to 1925 are as follows:

Year	Value	Per capita	Per cent of total exports	Percentage of increase (+) or decrease (—) over preceding year
1903.....	₱7,639,586	₱1.00	12	
1921.....	26,146,913	2.37	15	+244
1922.....	28,206,146	2.49	15	+7
1923.....	38,493,998	3.33	16	+36
1924.....	30,703,764	2.60	11	—20
1925.....	31,737,405	2.68	11	+3

The largest portion of copra exports went to the United States, while the balance was distributed among other countries, as shown in the following table:

Exports of copra

Exported to—	1925		1924	
	Value	Per cent	Value	Per cent
United States.....	₱25,163,099	79.20	₱20,996,330	68.38
Spain.....	3,466,928	10.92	3,012,756	9.82
Netherlands.....	1,000,365	3.15	857,053	2.79
France.....	885,879	2.79	1,568,272	5.11
Great Britain.....	876,122	2.76	2,321,809	7.50
Germany.....	300,586	.95	1,744,051	5.68
All other countries.....	44,426	.14	203,493	.66
Total.....	31,737,405	100.00	30,703,764	100.00

5. *Tobacco products*.—A decrease of 2 per cent has been registered in the exportations of these domestic products. The value exported during the year is ₱18,904,889, whereas during the preceding year it amounted to ₱19,725,718. Exportations per capita in 1903 and from 1921 to 1925 are as follows:

Year	Value	Per capita	Per cent of total exports	Percentage of increase (+) or decrease (—) over preceding year
1903.....	₱3,893,750	₱0.51	6	-----
1921.....	16,564,434	1.50	9	+326
1922.....	17,340,236	1.53	9	+4
1923.....	21,034,893	1.82	9	+21
1924.....	19,725,718	1.67	8	-6
1925.....	18,904,889	1.60	6	-2

The destinations of tobacco products are shown in the following table:

Exports of tobacco products

Exported to—	1925		1924	
	Value	Per cent	Value	Per cent
United States.....	₱10,432,704	55.18	₱9,141,110	46.34
Spain.....	4,018,808	21.26	5,138,933	26.06
Italy.....	1,252,810	6.63	359,436	1.82
China.....	940,148	4.97	827,187	4.19
Hawaii.....	457,566	2.42	548,037	2.78
Japan.....	383,098	2.03	756,404	3.83
Hongkong.....	282,087	1.49	284,032	1.44
British East Indies.....	242,185	1.28	225,370	1.15
Spanish Africa.....	174,074	.92	78,304	.39
Netherlands.....	107,302	.57	891,425	4.52
Other countries.....	614,107	3.25	1,475,481	7.48
Total.....	18,904,889	100.00	19,725,719	100.00

6. *Embroideries*.—Exports of embroideries during the year show a decrease, from ₱9,396,001 in 1924 to ₱9,143,349 in 1925, the reduction being 3 per cent. No exportations of these products in 1903 are recorded. Per capita exportations from 1921 to 1925 are as follows:

Year	Value	Per capita	Per cent of total exports	Percentage of increase (+) or decrease (—) over preceding year
1921.....	₱10,696,207	₱1.45	6	-----
1922.....	6,523,144	.58	3	-39
1923.....	12,751,289	1.10	5	+95
1924.....	9,396,001	.79	3	-26
1925.....	9,143,349	.77	3	-3

Almost all of the locally manufactured embroideries were exported to the United States, the portion sent to other countries being negligible, as shown below:

Exports of embroideries

Exported to—	1925		1924	
	Value	Per cent	Value	Per cent
United States.....	₹9, 100, 308	99.53	₹9, 373, 359	99.77
Hawaii.....	40, 399	.44	22, 498	.23
Other countries.....	2, 642	.03	144	-----
Total.....	9, 143, 349	100.00	9, 396, 001	100.00

7. *Maguey*.—The value of maguey exported during the year is ₹6,381,792, as compared with ₹5,845,278 in 1924, or an increase of 9 per cent. None was exported in 1903. Per capita exportations from 1921 to 1925 are as follows:

Year	Value	Per capita	Per cent of total exports	Percentage of increase (+) or decrease (—) over preceding year
1921.....	₹1, 848, 794	₹0.17	1	-----
1922.....	2, 973, 203	.26	2	+60
1923.....	4, 132, 086	.36	2	+40
1924.....	5, 845, 278	.49	2	+39
1925.....	6, 381, 792	.54	2	+9

The destinations of our maguey exports are shown in the following table:

Exports of maguey

Exported to—	1925		1924	
	Value	Per cent	Value	Per cent
Netherlands.....	₹1, 285, 326	20.14	₹796, 043	13.62
Japan.....	976, 331	15.30	1, 159, 475	19.84
Belgium.....	958, 515	15.02	737, 912	12.62
Great Britain.....	939, 646	14.72	1, 368, 673	23.41
Germany.....	749, 227	11.74	458, 641	7.85
United States.....	726, 135	11.37	695, 225	11.89
France.....	466, 292	1.31	308, 775	5.28
Italy.....	103, 723	1.63	129, 606	2.22
Hongkong.....	97, 021	1.52	56, 425	.97
Spain.....	71, 443	1.12	14, 045	.24
Other countries.....	8, 133	.13	120, 458	2.06
Total.....	6, 381, 792	100.00	5, 845, 278	100.00

8. *Desiccated coconut*.—The value of these local products exported during the year is ₹5,217,746, showing a large increase of 63 per cent, compared with ₹3,197,119 worth of similar exports in 1924. Per capita exportations from 1922 to 1925 are as follows, no data prior to 1922 being available:

Year	Value	Per capita	Per cent of total exports	Percentage of increase (+) or decrease (—) over preceding year
1922 ¹	₹419, 348	₹0.03	-----	-----
1923.....	1, 806, 247	.16	1	+331
1924.....	3, 197, 119	.27	1	+77
1925.....	5, 217, 746	.44	2	+63

¹ None reported prior to year 1922.

Most of our exportations of desiccated coconut went to the United States, as shown in the following table:

Exports of desiccated coconut

Exported to—	1925		1924	
	Value	Per cent	Value	Per cent
United States.....	₱5,211,222	99.87	₱3,194,826	99.93
Other countries.....	6,524	.13	2,293	.07
Total.....	5,217,746	100.00	3,197,119	100.00

9. *Hats*.—There has been a great deal of activity in hat exportations during the year, the value of the shipment to foreign markets being ₱4,741,898, as compared with ₱2,452,960 in 1924, or an increase of 93 per cent. Per capita exportations from 1921 to 1925 are as follows, none having been registered in 1903:

Year	Value	Per capita	Per cent of total exports	Percentage of increase (+) or decrease (−) over preceding year
1921.....	₱608,724	₱0.06	(1)	-----
1922.....	950,788	.08	(1)	+56
1923.....	1,258,464	.11	1	+32
1924.....	2,452,960	.21	1	+94
1925.....	4,741,898	.40	2	+93

1 Less than one-half of 1 per cent.

The largest portion of exportations of hats went to the United States; the rest to other countries, as follows:

Exports of hats

Exported to—	1925		1926	
	Value	Per cent	Value	Per cent
United States.....	₱3,698,810	78.00	₱1,194,303	48.69
Great Britain.....	501,028	10.57	295,511	12.04
France.....	361,297	7.62	709,340	28.92
Italy.....	125,373	2.64	214,168	8.73
Germany.....	33,484	.71	13,850	.65
Other countries.....	21,896	.46	23,788	.97
Total.....	4,741,898	100.00	2,452,960	100.00

10. *Lumber*.—The value of lumber, including logs, exported during the year is ₱4,252,759, an increase of 4 per cent over that exported in 1924, which amounted to ₱4,060,370. Per capita exportations in 1903 and from 1921 to 1925 are as follows:

Year	Value	Per capita	Per cent of total exports	Percentage of increase (+) or decrease (-) over preceding year
1903.....	P67,986	P0.01	(¹)	-----
1921.....	1,575,024	.14	1	+22.17
1922.....	1,667,140	.15	1	(¹)
1923.....	3,077,507	.27	1	+ .84
1924.....	4,060,370	.34	2	+ .31
1925.....	4,252,759	.36	1	+ .04

¹ Less than one-half of 1 per cent.

More than one-half of our lumber sent abroad went to the United States; the rest went to the countries shown below:

Exports of lumber

Exported to—	1925		1924	
	Value	Per cent	Value	Per cent
United States.....	P2,263,607	53.23	P2,192,569	54.00
Australia.....	742,552	17.46	281,604	6.94
China.....	557,950	13.12	543,188	13.38
Japan.....	311,587	7.33	608,665	14.99
Great Britain.....	226,171	5.32	410,029	10.10
Canada.....	46,706	1.10	10,406	.26
Egypt.....	34,008	.80	-----	-----
Netherlands.....	25,155	.59	-----	-----
Hongkong.....	19,781	.46	8,715	.21
Japanese-China.....	11,207	.26	-----	-----
Other countries.....	14,035	.35	5,194	.12
Total.....	4,252,759	100.00	4,060,370	100.00

Other exports.—The value of all products other than the 10 principal ones hereinabove mentioned totaled P15,662,898, a general increase of 13 per cent, compared with all exports in 1924, exclusive of 10 principal ones for that year.

DOCUMENTATION AND LICENSING OF VESSELS

A total of 344 vessels with an aggregate net tonnage of 14,744.19 were newly documented for the port of Manila for the coastwise and foreign trade and the bay and river traffic, as compared with 270 vessels in 1924 with an aggregate net tonnage of 5,097.58. Out of these 344 vessels so documented 4 steamers with an aggregate net tonnage of 3,256.86, 5 motor boats with an aggregate net tonnage of 76.70, 1 auxiliary motor schooner with an aggregate net tonnage of 19.43, 1 steam launch with an aggregate net tonnage of 33.00, 4 scows with an aggregate net tonnage of 369.63, and 80 sailing vessels with an aggregate net tonnage of 1,446.99 are for the coastwise trade, and 2 steam vessels with an aggregate net tonnage of 4,361.91 are for the foreign trade. Twenty-five motor boats with an aggregate net tonnage of 140.22, 32 scows with an aggregate net tonnage of 3,314.54, 20 bancas with an aggregate net tonnage of 393.80, 5 cascos with an aggregate net tonnage of 103.47, 1 champan with an aggregate net tonnage of 6.12, and 164 sailing vessels with an aggregate net tonnage of 1,221.52 are for the bay and river traffic.

Licenses were issued in the port of Manila to 2,599 vessels with an aggregate net tonnage of 90,863.12. Of these vessels so licensed 161 were coastwise steam vessels having an aggregate net tonnage of 31,142.67, 712 are coastwise sailing vessels having an aggregate net tonnage of 22,029.66, 1,726 are vessels for the bay and river traffic having an aggregate net tonnage of 37,690.79.

The amount of P106,434.45 was collected from the licenses thus issued, as compared with P99,754.58 collected in 1924 from the same source, or an increase of P6,679.87.

INSPECTION OF VESSELS

In accordance with the requirements of navigation and steamboat-inspection service, a total of 337 vessels, including motor ships, were inspected at the port of Manila during the year with an aggregate net tonnage of 31,010.92, as compared with 323 vessels inspected in 1924 with an aggregate net tonnage of 30,715.19. The kinds of vessels so inspected are as follows:

Rig	Number of vessels	Tonnage	
		Gross	Net
Steamers inspected and certified.....	106	33,841.22	14,540.17
Steamers inspected but not certified.....	98	15,930.02	9,740.90
Total steamers inspected.....	204	49,771.24	24,281.07
Motors, barges, and sailing vessels inspected and certified.....	69	4,190.02	3,910.01
Motors, barges, and sailing vessels inspected but not certified.....	64	3,992.18	2,819.84
Total inspected.....	133	8,182.20	6,729.85
Grand total.....	337	57,953.44	31,010.92

Rig	Gross tonnage					
	Over 1,500	Over 1,000 and under 1,500	Over 500 and under 1,000	Over 100 and under 500	Under 100	Total
Steamers inspected and certified.....	6	14	12	27	47	106
Steamers inspected but not certified.....	11	7	14	30	36	98
Total inspected.....	17	21	26	57	83	204
Motors, barges, and sailing vessels inspected and certified.....			2	17	50	69
Motors, barges, and sailing vessels, inspected but not certified.....				1	63	64
Total inspected.....			2	18	113	133
Grand total.....	17	21	28	75	196	337

The number and classes of vessels admeasured are as follows:

Classes of vessels	Number	Tonnage	
		Gross	Net
Steamers.....	10	25,853.17	7,239.97
Steam launches.....	3	89.49	55.43
Motor boats and auxiliary schooners.....	22	684.91	517.02
Sailing vessels.....	21	592.17	592.17
Scows, barges, and lighters.....	31	2,751.03	2,569.40
Cascos, bancas, and others.....	42	509.82	509.82
Total.....	129	30,485.59	11,483.81

Two hundred and sixty-eight special permits allowing vessels to operate in the coastwise trade, bay and river traffic, and on waters of any ocean were issued during the year pending the issuance to such owners of the required certificates of inspection.

MARINE OFFICERS

During the year under review no examination for marine officers was held. There were issued, however, 43 marine certificates, of which 9 were for any ocean and 34 for coastwise. The different certificates issued are as follows:

Grade	Any ocean	Coastwise	Total
Master.....	2	—	2
Chief mate.....	2	—	2
Second mate.....	5	4	9
Third mate.....	—	23	23
Major patron.....	—	3	3
Minor patron.....	—	4	4
Total.....	9	34	43

Of these certificates so issued, 1 certificate for master, 1 for chief mate, and 1 for second mate were exchanged with certificates entitling the respective holders thereof to navigate on waters of any ocean, after having themselves qualified in accordance with law. The other certificates were issued to applicants who successfully passed the examination in previous years.

No examination of engineers for steam vessels was held during the year, but a total of 307 candidates for certificates of motor engineers were examined under the provisions of Act 3177. The result of this examination is shown as follows:

Category	Passed	Failed	Total
Chief motor engineers.....	10	—	10
Second motor engineers.....	45	3	48
Third motor engineers.....	60	4	64
Fourth motor engineers.....	180	5	185
Total.....	295	12	307

There were issued during the same period 3 certificates to marine engineers for steam vessels—1 for chief engineer and 2 for second engineers—and 263 temporary certificates to coastwise motor engineers—10 for chief engineers, 42 for second engineers, 55 for third engineers, and 156 for fourth engineers.

CONSULAR SERVICE

During the year 1925, 395 seamen, consisting of 118 Americans, 272 Filipinos, and 5 Chinese, were discharged from American vessels at the port of Manila, as against 1,402 of the preceding year. Out of the 118 American seamen so discharged only 32 were given consular relief. Of those given relief 20 obtained employment on American vessels, 9 were sent to the United States as consular passengers, 1 was sent on the United States Army transport as indigent American seaman, and 2 were still under relief at the close of the year.

Throughout the year 444 seamen, consisting of 143 Americans, 299 Filipinos, and 2 Chinese, obtained employment on board American vessels. Greater number of Filipinos than Americans was shipped due to the refusal of several American masters to engage American seamen in port and their persistence in getting Filipinos.

There were 141 consular invoices and 350 invoices of returned American goods issued by this office during 1925, as compared with 178 consular invoices and 369 invoices of returned American goods in 1924.

IMMIGRATION AND EMIGRATION

The passenger movement for 1925 is about the same as that of the preceding year, registering only a slight fall in the number of those who departed from

the country as against the increase in the number of arrivals. There were in all 29,310 persons who arrived in and 29,805 who departed from the Philippine Islands, excluding those attached to the military and naval forces of the United States traveling as such.

Of those who arrived 4,346 were citizens of the United States, 6,177 Filipinos, and 48 Hawaiians and other American subjects. Of the aliens 14,647 were Chinese, 2,225 Japanese, 692 British, 441 Spanish, 133 German, and other nationalities 601. As to the Chinese who arrived during the year under review, 6 came from the United States, 5,979 were immigrants from China, 3 from India, 7 from other countries in Asia, 701 were transients, and the rest were returning residents of the Philippines. Of the Japanese arrivals, 1,322 were farm hands, 130 merchants and dealers, 25 carpenters, 22 fishermen, 25 professionals and government officials, and the remainder were of other occupations. One thousand seven hundred and ninety-seven were immigrants and 428 were nonimmigrants—that is, residents and transients.

Of those who left the islands, 3,472 were Americans, 11,241 Filipinos, 16 Hawaiians and other American subjects. The number of aliens leaving the country is distributed as follows: Twelve thousand two hundred and seven Chinese, 1,080 Japanese, 728 British, 401 Spanish, 107 German, and 553 other aliens.

Of the Filipinos departed, 7,215 went to Hawaii, 7,202 being laborers.

As to the Chinese aliens who left the islands, 186 were emigrants, 12,010 nonemigrants—that is to say, transients and residents who declared their intention of returning to the Philippine Islands within 12 months, and 11 departed for the United States.

During the year 212 Chinese, 4 East Indians, and 1 whose nationality is unknown were debarred from entering the islands, and 39 Chinese were deported by order of the courts.

PROTESTS AND APPEALS

There were lodged with the board of protests and appeals in Manila during the year 349 protests against the classification and appraisal of imported merchandise, collection of customs duties, internal-revenue taxes, wharfage dues, storage charges, etc., under the provisions of section 1370 of the Administrative Code. Of this number 187 were against the assessment of wharfage dues and 162 against customs duties and internal-revenue taxes on supplies and materials imported by or for the account of the Manila Railroad Co. Two hundred and twenty-seven protests were overruled and denied, 34 sustained, 2 dismissed, and 86 were pending decision at the close of the year, which, together with 93 of the previous years, make a total of 179 protests undecided. Of those overruled and denied 2 were taken to the court of first instance on appeal.

Similar protests were filed with the collectors of customs at other ports of entry, 43 of which were acted upon and sent to this office either on appeal or for review, 42 thereof being against the assessment of wharfage dues, and 1 against collection of customs duties. Of the decisions of said collectors 41 were affirmed, 1 reversed, and 1 was pending at the close of the year.

GOVERNMENT PIERS

There are approximately 5,000 feet of berthing space available at the insular government piers and wharves in the port of Manila, sufficient to permit the berthing of seven or eight trans-Pacific vessels at the same time. With the completion of Pier No. 7 on or about July 1, 1926, additional berth for two vessels of the *Empress* type will be available, which will bring much relief to congestion of cargo common in previous years. In fact, since the inauguration of part of this pier in July, 1924, the port facilities for the handling of imported merchandise have been greatly increased. Of the 1,347,212 tons of cargo brought into the port of Manila by foreign vessels it is estimated that about 500,500 tons were discharged in all the government piers during 1925, as against 600,000 tons recorded in 1924. This slight decrease is due to the less number of foreign vessels which called at the port of Manila during the year under review. A total of 520 foreign vessels took berth in all the piers in 1925 as compared with 535 during the previous year.

SECRET SERVICE

Prosecutions of violators of customs, immigration, and opium laws have been conducted energetically, as usual, throughout the year. Out of 304 of such cases arising in the port of Manila 296 convictions were secured, 2 dismissed, and 6 pending at the close of the year. The penalties imposed in all such convictions aggregated 10 years 3 months and 3 days, and a total fine of ₱3,240, with one deportation.

A detailed list of all the articles seized in the port of Manila for the violation of customs laws follows:

Ammunitions	number	43
Bamboo basket	do	1
Bamboo suit case	do	1
Chamber pot	do	1
Chinese accountant's book	cases	4
Chinese dried vermicelli	packages	28
Chinese playing cards	sheets	4, 308
Chinese preserved fruits	packages	23
Chinese wines	bottles	567
Chinese wines	jars	124
Diamonds	pieces	48
\$5 in coin	number	1
Flour vermicelli	cases	10
Morphine	kilos	2, 000
Opium:		
Bowls	number	17
Crude	kilos	3, 400
Lamps	number	15
Needles	do	8
Pipes	do	11
Prepared	kilos	647, 407
Scale	number	1
Spatules	do	8
Pistol	do	1
Preserved plums	packages	72
Rice vermicelli	cases	10
Sapphire	pieces	1
Stones, jade (different sizes)	number	112
Stones, rubi	do	10
Trunks	do	2
Watch charm (jade stone)	do	1
Wrist watches	do	29
Vanity box	do	1
Whisky	bottles	145

PERSONNEL

There were 857 persons in the customs service at the close of the year, of whom 2 are Americans—1 in the classified service and the other in the unclassified service; 2 Chinese interpreters—1 in the classified service and the other in the unclassified service; and the rest are Filipinos. Of the 853 Filipinos 495 are in the classified service, 5 of the latter being non-Christian Filipinos serving in the southern collection district.

PORT OF CEBU

The total foreign trade of Cebu during the year 1925 amounted to ₱63,108,891, of which ₱15,642,349 represents the imports and ₱47,466,542 the exports, as compared with ₱63,055,518 in 1924, of which ₱12,370,508 being the value of imports and ₱50,685,010 that of exports. There is, therefore, a trade balance amounting to ₱31,824,193 in favor of the port.

The value of the principal articles imported and exported from this port are as follows :

Imports and exports at the port of Cebu

IMPORTS.

Articles	1925	1924
Rice.....	P5,826,366	P6,160,145
Mineral.....	2,072,269	2,345,797
Cotton goods.....	1,345,538	816,776
Iron and steel manufactures.....	1,217,560	426,565
Wheat flour.....	1,134,916	674,349
All other.....	4,044,700	1,946,876
Total.....	15,642,349	12,370,508

EXPORTS

Copra.....	P18,417,875	P16,633,992
Abaca.....	15,113,517	17,856,217
Coconut oil.....	7,189,402	6,904,746
Maguay.....	4,578,539	4,413,909
Tobacco leaf.....	718,438	321,953
All other.....	1,448,771	4,554,193
Total.....	47,466,542	50,685,010

The total customs collections of this port during the year amounted to ₱2,364,613.70, as against ₱2,459,723.54 in 1924, or a decrease of ₱95,109.84, which was due to a decline in the collection of wharfage dues on export. Wharfage dues receipts fell from ₱435,767.97 in 1924 to ₱337,372.89 in 1925. On the other hand, internal-revenue collections showed an increase of ₱109,928.21, the amount collected being ₱441,038.11, as compared with ₱331,109.90 in 1924. This increase is mainly due to increased importations of mineral oils and coal.

During the year 77 vessels of different nationalities with an aggregate net tonnage of 212,334 entered direct from foreign ports, as compared with 70 direct entrances of such vessels with a total net tonnage of 218,891 recorded in 1924, while 158 vessels, having a total net tonnage of 557,086, cleared direct for foreign ports, as against 133 vessels with an aggregate net tonnage of 508,070 in 1924. Coastwise vessels numbering 5,999 with a total net tonnage of 531,301 entered, while 6,112 vessels of 526,044 net tons cleared during the year, as compared with 6,276 vessels of 512,550 net tons entered and 6,392 vessels of 510,779 net tons cleared from this port in 1924.

There were only 7 vessels with an aggregate net tonnage of 210 newly documented in this port for the coastwise trade during the year, as compared with 2 vessels with a total net tonnage of 39 registered in 1924. Licenses were issued in the port of Cebu to 239 vessels with an aggregate net tonnage of 6,606. Of these vessels so licensed 86 were coastwise steam vessels having an aggregate net tonnage of 1,767.

During the year 80 vessels were inspected at this port in accordance with the requirements of navigation and steamboat inspection service, of which 18 were steam vessels and 62 motor vessels.

Five seizure cases were recorded in this port during the year, as against 11 cases registered in 1924. These seizure cases covered 2,461 tins of opium, weighing 153,455 gross kilos; 1 motor yacht, which was released upon payment of ₱1,000 fine; and various articles of commerce which were used to conceal opium.

PORT OF ILOILO

The total foreign trade of Iloilo during 1925 was ₱87,610,910, of which ₱19,532,175 represents the value of imports and ₱68,078,735 that of exports, as compared with ₱75,014,965 in 1924, of which ₱14,186,704 represents the imports and ₱60,828,261 the value of exports. There is, therefore, a trade balance amounting to ₱48,546,560 in favor of the port.

The principal articles imported and exported from this port are as follows :

Imports and exports at the port of Iloilo

IMPORTS

Articles	1925	1924
Machinery.....	P3,873,868	P2,300,979
Fertilizers.....	3,182,397	2,666,532
Iron and steel manufactures.....	1,790,622	1,100,964
Mineral oils.....	1,680,238	1,748,007
Cotton goods.....	1,564,797	1,808,625
Railway cars, and parts of.....	1,390,534	552,927
Gunny sacks and burlaps.....	1,328,428	505,740
Wheat flour.....	1,103,614	493,515
Rice.....	866,034	717,081
Coal.....	583,896	381,921
All other.....	2,167,747	1,910,413
Total.....	19,532,175	14,186,704

EXPORTS

Centrifugal sugar.....	P60,956,806	P52,476,457
Muscovado sugar.....	3,427,409	4,329,095
Copra.....	1,935,557	2,465,710
Lumber.....	1,739,109	1,522,835
All other.....	19,854	32,164
Total.....	68,078,735	60,828,261

The customs collections in this port during the year amounted to ₱1,631,453.19, as compared with ₱1,196,351.83 in 1924, or an increase of ₱435,101.36, which was due to an increased importation of general merchandise. For the same reason, the internal-revenue collections were also increased from ₱313,435.65 in 1924 to ₱408,023.65 in 1925.

During the year under review there were 67 direct entrances of vessels from foreign ports with a total net tonnage of 229,512, as against 61 direct entrances of such vessels with an aggregate net tonnage of 186,204 in 1924. During the same period the number of clearances direct from foreign ports was 113 with an aggregate tonnage of 411,918 net, as compared with 97 in 1924 with a total tonnage of 341,441 net. In the coastwise trade there were 8,241 entrances, tonnage 731,742 net, in 1925, as against 7,465 in 1924 with net tonnage of 610,859, while the clearances of such vessels numbered 8,294, tonnage 740,295 net, in 1925, as compared with 7,491 in 1924, with a total net tonnage of 611,017.

Thirty-four vessels were newly documented in this port during 1925, showing a total net tonnage of 1,359, of which 25 were for the coastwise trade and 9 for the bay and river traffic. Licenses were issued to 461 vessels with an aggregate net tonnage of 20,171. Of these vessels so licensed 80 were coastwise steam vessels with an aggregate net tonnage of 4,440, 336 were coastwise sailing vessels having an aggregate net tonnage of 15,186, and 45 in the bay and river traffic having an aggregate net tonnage of 545.

In accordance with the requirements of navigation and steamboat inspection service, 165 vessels were inspected at this port during the year, of which 21 were steam vessels, 43 motor vessels, 98 sailing vessels, and 3 barges.

Thirty-two cases for violation of customs, immigration, and opium laws were prosecuted, resulting in 15 convictions, 7 dismissals, and 10 being pending at the close of the year. The following articles were seized: Ten thousand nine hundred and thirty-eight grams prepared opium; 310 grams crude opium; 640 opium pills weighing 40 grams; 150 grams opium ashes; 5 pipes, complete; 4 pipes, head only; and miscellaneous implements for smoking opium; 1 revolver, Colt, caliber .32; 1 revolver, Iver Johnson, caliber .32; 1 revolver, Smith & Wesson, caliber .32; 1 pistol, automatic Colt, caliber .25; 37 rounds ammunition for caliber .32; and 98 rounds ammunition for pistol, automatic Colt, caliber .25.

PORT OF JOLO

The foreign trade of the port of Jolo during the year amounted to ₱1,031,123, of which ₱676,269 represents the value of imports and ₱354,854 that of exports, as compared with ₱1,289,069 in 1924, of which ₱850,431 being the value

of imports and ₱438,638 that of exports. There is, therefore, a trade balance against the port amounting to ₱257,946.

The value of the articles imported and exported from the port of Jolo during the year under review follows:

Imports and exports at the port of Jolo

IMPORTS

Articles	1925	1924
Cotton goods.....	₱227, 798	₱310, 651
Rice.....	88, 172	168, 236
Chemicals, medicines, etc.....	54, 107	49, 713
Sugar.....	29, 934	38, 372
Tobacco products.....	26, 608	27, 622
All other.....	249, 650	255, 837
Total.....	676, 269	850, 431

EXPORTS

Mother-of-pearl shells.....	₱124, 300	₱135, 262
Other shells.....	93, 135	46, 693
Fish and fish products.....	84, 643	98, 638
Copra.....	33, 907	122, 999
All other.....	18, 869	35, 046
Total.....	354, 854	438, 638

The customs collections during the year amounted to ₱174,481.42, as compared with ₱215,869.60 in 1924, showing a decrease of ₱41,388.18, which is attributed to a decline in the importations of articles from China. Due to a decrease in the importations of articles subject to payment of internal-revenue tax, the internal-revenue collections of the port registered a corresponding decrease from ₱15,129.63 in 1924 to ₱13,036.27 in 1925.

During the year 47 vessels with a total of 39,420 net tonnage entered in this port direct from foreign countries, as compared with 41 in 1924 with an aggregate net tonnage of 20,813. During the same period 47 of such vessels with a total tonnage of 38,438 cleared direct for foreign ports against 40 clearances in 1924, tonnage 21,528 net. In the coastwise trade there were 153 entrances having a total net tonnage of 33,786, against 167 in 1924, tonnage 45,690 net, whereas the total of clearances of such vessels was 156, against 167 in 1924, with an aggregate tonnage of 33,394 and 45,172, respectively.

Fourteen vessels were newly registered in this port having a total net tonnage of 55, of which 5 were coastwise sailing vessels and 9 sailing vessels engaged in the bay and river traffic. Licenses were issued during the year to 59 vessels with a total net tonnage of 754, of which 1 was a coastwise steam vessel, 45 coastwise sailing vessels, and the rest were engaged in the bay and river business.

Thirteen cases against violators of opium, immigration, and internal-revenue laws were instituted during the year, resulting 11 convictions and 2 pending at the close of the year. For violation of opium and customs laws the following articles were seized: Thirty-six grams prepared opium, 4 opium pipes, 1 lamp, 17 liters native wine, 357 pieces imitation United States gold coins, 8 sets gold pins, 12 meters silk cloth, 800 imitation stones, 3 earrings, 78 grams opium ash, 3 needles, and 1 chisel.

PORT OF ZAMBOANGA

The foreign trade of the port of Zamboanga during 1925 amounted to ₱21,190,578, of which ₱2,464,603 represents the value of imports and ₱18,725,975 that of exports, as compared with ₱15,413,044 in 1924, of which ₱1,952,926 represents the value of imports and ₱13,460,118 that of the exports. There is, therefore, a trade balance amounting to ₱16,261,372 in favor of the port.

The value of the principal articles imported and exported from this port follows:

Imports and exports at the port of Zamboanga

IMPORTS

Articles	1925	1924
Mineral oils.....	P701, 537	P566, 565
Cotton goods.....	449, 506	481, 777
Rice.....	436, 796	269, 659
Iron and steel, manufactures of.....	162, 200	101, 853
Wheat flour.....	114, 155	88, 798
All other.....	600, 409	444, 274
Total.....	2, 464, 603	1, 952, 926

EXPORTS

Abaca.....	P13, 940, 711	P9, 010, 899
Copra.....	3, 446, 780	2, 889, 348
Desiccated coconut.....	478, 241	343, 902
Lumber.....	477, 537	862, 953
Rubber, crude.....	174, 099	110, 255
All other.....	208, 607	151, 771
Total.....	18, 725, 975	13, 460, 118

The customs collections during the year amounted to P395,395.82, as compared with P345,276.55 in 1924, or an increase of P50,119.27. The internal-revenue collections also increased from P67,188.24 in 1924 to P107,945.64 in 1925.

There were 34 direct entrances of vessels engaged in foreign trade during the year with a total net tonnage of 119,297, against 28 in 1924 with a net tonnage of 110,617. During the same period there were 35 clearances of such vessels with a total net tonnage of 117,805, against 42 in 1924 with a total net tonnage of 136,589. In the coastwise trade there were 1,349 entrances with a total net tonnage of 216,852, against 1,495 in 1924, tonnage 233,485 net, whereas the number of clearances of such vessels was 1,352, against 1,498 in 1924 with a total net tonnage of 212,260 and 241,230, respectively.

Fifty-seven vessels were newly registered in this port with a total tonnage of 515 net, of which 1 is a coastwise steam vessel, 26 coastwise sailing vessels with an aggregate net tonnage of 349, and 21 steam vessels and 9 sailing vessels engaged in the bay and river traffic with an aggregate net tonnage of 166. Licenses were issued to 131 vessels with a total net tonnage of 1,709, of which 19 were coastwise steam vessels, tonnage 527 net; 77 coastwise sailing vessels, tonnage 939 net; and 23 steam vessels and 12 sailing vessels with a total net tonnage of 140 and 103, respectively, engaged in the bay and river traffic.

There were 6 cases of violation of opium law during the year, out of which 1 conviction was secured, 2 dismissed, and 3 were pending at the close of the year. A total of 50 Chinese persons arrested in an attempt to gain unlawful admission into the Philippine Islands were deported from this port during the year.

BUREAU OF INTERNAL REVENUE

COLLECTIONS

According to sources the collections made by the bureau of internal revenue for the years 1924 and 1925 were as follows:

Item	1924	1925
Excise tax:		
Domestic—		
Distilled spirits.....	P3, 928, 481.74	P4, 631, 114.90
Fermented liquors.....	303, 400.00	343, 640.00
Manufactured tobacco.....	358, 331.93	387, 415.00
Cigars.....	262, 370.90	292, 442.81
Cigarettes.....	5, 547, 657.38	5, 772, 026.75

Item	1924	1925
Excise tax—Continued.		
Domestic—Continued.		
Matches.....	P6,664.00	P1,868.00
Wines and imitations.....	181,679.42	233,801.58
Playing cards.....	17.10	50.00
Cinematographic films.....	415.66	216.61
Total.....	10,589,018.13	11,662,575.65
Coal and coke.....	10,042.61	10,415.17
Total excise taxes—Domestic.....	10,599,060.74	11,672,990.82
Imported—		
Distilled spirits.....	274,440.09	317,218.93
Fermented liquors.....	47,500.65	38,661.91
Manufactured tobacco.....	188,059.03	205,051.03
Cigars.....	10.41	4.95
Cigarettes.....	300,077.99	606,108.53
Matches.....	432,127.34	503,949.48
Wines and imitations.....	108,975.08	121,046.95
Skimmed milk.....	1,408.26	2,073.80
Playing cards.....	224,258.23	229,197.96
Cinematographic films.....	40,051.22	43,987.95
Total.....	1,616,908.30	2,067,301.49
Kerosene or petroleum.....	903,472.02	1,023,982.57
Naphtha, gasoline, and all lighter products of distillation.....	1,116,279.22	1,658,790.86
Lubricating oils.....	236,084.78	273,509.19
Total.....	2,255,836.02	2,956,282.62
Medicinal preparations containing prohibited drugs.....	38.73	47.92
Coal and coke.....	200,129.97	213,689.32
Total excise taxes—Imported.....	4,072,913.02	5,237,321.35
Total excise taxes—Domestic and imported.....	14,671,973.76	16,910,312.17
License, business, and occupation taxes:		
Brewers.....	3,085.00	3,016.00
Distillers.....	20,274.73	19,193.00
Rectifiers.....	20,228.00	13,445.00
Retail liquor dealers.....	37,750.18	43,654.50
Retail vino dealers.....	199,693.20	235,850.75
Wholesale liquor dealers.....	106,262.00	108,769.00
Retail dealers in fermented liquors.....	35,815.66	38,972.52
Retail dealers in tuba, bassi, tapuy, etc.....	267,743.38	287,768.12
Wholesale dealers in fermented liquors.....	22,947.50	21,826.00
Dealers in manufactured tobacco.....	305,407.66	339,186.25
Manufacturers of chewing and smoking tobacco.....	1,005.00	1,358.00
Manufacturers of cigars and cigarettes.....	2,458.20	2,270.40
Wholesale peddlers of manufactured tobacco products.....	7,120.30	10,672.00
Wholesale peddlers of alcoholic products.....	7,650.00	9,214.00
Retail peddlers of manufactured tobacco products.....	5,217.12	5,515.00
Wholesale peddlers of alcoholic products.....	7,650.00	9,214.00
Retail peddlers of manufactured tobacco products.....	5,217.12	5,515.00
Retail peddlers of alcoholic products.....	1,647.00	2,146.00
Retail leaf tobacco dealers.....	136,536.17	141,305.25
Repackers of distilled spirits and wines.....	7,615.00	6,445.00
Total.....	1,188,456.10	1,290,606.79
Merchants and manufacturers (1 per cent).....	10,759,147.25	11,345,906.63
Printers and publishers.....	30,807.87	30,284.42
Common carriers.....	151,843.32	175,577.46
Contractors, warehousemen, and others.....	729,274.79	771,338.39
Peddlers of merchandise (1 per cent).....	589,465.09	579,519.25
Merchants, manufacturers, and peddlers of merchandise (one-half of 1 per cent, Act No. 3065).....	5,449,059.63	5,836,081.96
Total.....	17,709,597.95	18,738,708.11
Commercial brokers.....	132,849.08	157,929.57
Stockbrokers.....	17,058.04	18,652.84
Real estate brokers.....	17,768.57	16,562.83
Customs and immigration brokers.....	2,820.00	2,595.00
Pawnbrokers.....	21,420.00	20,410.00
Theaters, museums, and concert halls.....	30,272.50	30,739.50
Circuses.....	990.00	855.00
Billiard rooms.....	22,766.55	23,045.38
Lawyers, medical practitioners, architects, land surveyors, engineers, and public accountants.....	111,595.30	114,584.84
Chiropodists, manicurists, tattooers, and masseurs.....	1,934.75	1,672.50
Pharmacists and farriers.....	21,012.50	22,601.00

Item	1924	1925
License, business, and occupation taxes—Continued.		
Race tracks.....	P8, 305.00	P7, 900.00
Cockpits.....	658, 776.47	714, 537.22
Cockfights.....	125, 972.94	126, 746.89
Opticians and dental surgeons.....	15, 312.00	16, 003.00
Midwives and circujanos ministrantes in medicine and dentistry.....	2, 376.26	2, 506.15
Procuradores, judiciales, business agents, insurance agents, and subagents.....	24, 887.50	24, 396.00
Photographers, engravers, and professional appraisers or connoisseurs of tobacco, etc.....	16, 482.50	17, 109.50
Veterinarians.....	200.00	240.00
Money lenders.....	27, 283.99	28, 375.00
Banks and bankers.....	1, 589, 218.61	1, 393, 039.01
Insurance companies.....	96, 124.29	98, 144.89
Mines.....	30, 766.54	33, 806.67
Registered dealers in prohibited drugs.....	16, 865.91	17, 773.35
Sponge fisheries.....	46.76	175.08
Firearm tax.....	121, 714.17	121, 769.28
Pearl fisheries.....	3, 552.50	4, 260.00
Sparring or boxing exhibitions.....	5, 710.00	6, 045.00
Weights and measures.....	169, 298.25	176, 479.28
Total.....	2, 033, 297.03	1, 851, 492.56
Total license, business, and occupation taxes.....	22, 191, 435.03	23, 228, 269.68
Cedulas:		
Class A. Regular at P1.....	26, 496.00	27, 167.00
Class B. Delinquent at P2.....	12, 768.00	13, 984.00
Class D. Special at P1.....	513.00	572.00
Class E. Fines.....	119.00	86.00
Class F. Regular at P2.....	4, 153, 850.00	4, 249, 248.00
Class G. Delinquent at P4.....	659, 162.00	723, 376.00
Class H. Special at P2.....	22, 206.00	24, 112.00
Class I. Road and bridge tax, P1.....	26.00	14.00
Class K. Delinquent road and bridge tax, P2.....	60.00	20.00
Class L. Delinquent from May 1 to June 30, P1.50.....	2, 427.00	1, 911.00
Class M. Delinquent from May 1 to June 30, P3.....	158, 655.00	167, 769.00
Class N. Delinquent from May 1 to June 30, P1.50.....	3.00	1.50
Total cedulas.....	5, 036, 285.00	5, 208, 260.50
Franchise taxes.....	366, 871.02	386, 050.82
Income tax.....	2, 583, 585.89	3, 336, 923.82
Documentary stamp tax.....	610, 663.33	634, 864.58
Inheritance tax.....	144, 884.15	300, 572.55
Incidental revenue: United States internal revenue collected in the Philippines.....	1, 498, 825.73	1, 748, 669.60
Rental and royalties on petroleum lands.....	7, 500.00	
Revenue from public forests—		
First-group timber.....	343, 447.23	319, 680.91
Second-group timber.....	85, 204.19	85, 880.18
Third-group timber.....	413, 330.34	459, 245.16
Fourth-group timber.....	188, 886.97	144, 852.95
Firewood (bacauan and tangal).....	29, 313.49	29, 450.43
Firewood (other wood).....	23, 294.57	20, 153.37
Minor forest products.....	139, 012.07	142, 133.72
Lease of forest lands.....	931.31	125.19
Total revenue from public forests.....	1, 223, 440.06	1, 201, 521.91
Miscellaneous stamp collections.....	627.37	466.87
Service income:		
Justice of the peace fines and fees.....	395, 397.25	383, 732.74
Tobacco inspection fees.....	136, 420.95	159, 493.56
Grand total.....	48, 867, 909.54	53, 499, 188.80

APPORTIONMENT OF INTERNAL REVENUE TAXES AND OTHER COLLECTIONS MADE BY
THE BUREAU OF INTERNAL REVENUE

Pursuant to the provisions of the internal revenue allotment law (chap. 19 of Act No. 2711), the collections made by the bureau of internal revenue accrue to the insular, provincial, and municipal governments in the following manner:

Item	Accruing to—		
	Insular	Provincial	Municipal
1924			
Excise taxes:			
Domestic—			
Alcohol and tobacco products.....	P10,581,921.37		
Matches.....	6,664.00		
Playing cards.....	17.10		
Cinematographic films.....	415.66		
Coal and coke.....	10,042.61		
Total.....	10,599,060.74		
Imported—			
Alcohol and tobacco products.....	919,063.25		
Matches.....	432,127.34		
Skimmed milk.....	1,408.26		
Playing cards.....	224,258.23		
Cinematographic films.....	40,051.22		
Kerosene or petroleum.....	903,472.02		
Naphtha, gasoline, etc.....	1,116,279.22		
Lubricating oils.....	236,054.78		
Coal and coke.....	200,129.97		
Medicinal preparations containing drugs.....	38.73		
Total.....	4,072,913.02		
Total excise taxes.....	14,671,973.76		
License, business and occupation taxes:			
Dealers in alcohol and tobacco products.....	920,712.72		P267,743.38
Merchants, manufacturers, common carriers, etc.....	12,260,538.32		
One-half of 1 per cent tax under Act 3065.....	4,885,650.42	P273,914.51	289,494.70
Occupations, trades, and professions.....	405,595.49		860,198.46
Banks and bankers.....	1,589,218.61		
Insurance companies.....	96,124.29		
Mines.....	30,766.54		
Registered dealers in prohibited drugs.....	16,865.91		
Boxing or sparring exhibitions.....			
Sponge fisheries.....	9.35	16.70	20.71
Pearl fisheries.....		3,552.50	
Weights and measures.....		79,351.73	89,946.52
Firearm tax under Act 3097.....	121,714.17		
Total license, business, and occupation taxes.....	20,327,195.82	356,835.44	1,507,403.77
Cedulas.....		3,582,208.50	1,454,076.50
Franchise taxes.....	144,277.44	11,825.34	210,768.24
Income tax.....	2,583,585.89		
Documentary stamp tax.....	610,663.33		
Inheritance tax.....	144,884.15		
Internal revenue allotment.....	(3,164,083.55)	1,538,280.63	1,625,802.92
Total revenue from taxation.....	35,318,496.84	5,489,149.91	4,798,051.43
Incidental revenue:			
United States internal revenue collected in the Philippines.....	1,498,825.73		
Revenue from public forests.....	1,223,440.06		
Rental on lands containing gas or petroleum.....	7,500.00		
Miscellaneous stamp collections.....	627.37		
Service income:			
Justice of the peace fines and fees.....	386,037.82		9,359.43
Tobacco inspection fees.....	136,420.95		
Grand total.....	38,571,348.77	5,489,149.91	4,807,410.86
1925			
Excise taxes:			
Domestic—			
Alcohol and tobacco products.....	11,653,892.04		
Matches.....	8,522.00		
Playing cards.....	37.20		
Cinematographic films.....	124.41		
Coal and coke.....	10,415.17		
Total.....	11,672,990.82		

Item	Accruing to--		
	Insular	Provincial	Municipal
1925			
Excise taxes—Continued.			
Imported—			
Alcohol and tobacco products.....	P1,288,092.30		
Matches.....	503,949.48		
Skimmed milk.....	2,073.80		
Playing cards.....	229,197.96		
Cinematographic films.....	43,987.95		
Kerosene or petroleum.....	1,023,982.57		
Naphtha, gasoline, etc.....	1,658,790.86		
Lubricating oils.....	273,509.19		
Coal and coke.....	213,689.32		
Medicinal preparation containing drugs.....	47.92		
Total.....	5,237,321.35		
Total excise taxes.....	16,910,312.17		
License, business, and occupation taxes:			
Dealers in alcohol and tobacco products.....	1,002,838.67		P287,768.12
Merchants, manufacturers, common carriers, etc.....	12,902,616.15		
One-half of 1 per cent tax under Act 3065.....	5,052,473.77	P283,752.85	299,855.34
Occupations, trades, and professions.....	431,173.23		916,333.99
Banks and bankers.....	1,393,039.01		
Insurance companies.....	98,144.89		
Mines.....	33,806.67		
Registered dealers in prohibited drugs.....	17,773.35		
Boxing or sparring exhibitions.....	6,000.00		
Sponge fisheries.....	35.02	68.03	72.03
Pearl fisheries.....		4,140.00	120.00
Weights and measures.....		83,087.88	93,391.40
Firearm tax under Act No. 3097.....	121,769.28		
Total license, business, and occupation taxes.....	21,259,670.04	371,048.76	1,597,540.88
Cedulas.....		3,714,940.00	1,493,320.50
Franchise taxes.....	154,804.73	12,662.69	218,583.40
Income tax.....	3,336,923.82		
Documentary stamp tax.....	634,864.58		
Inheritance tax.....	300,572.55		
International revenue allotment.....	3,164,083.55	1,538,280.63	1,625,802.92
Total revenue from taxation.....	39,435,064.34	5,636,932.08	4,935,247.70
Incidental revenues:			
United States internal revenue collected in the Philippines.....	1,748,669.60		
Revenue from public forests.....	1,201,521.91		
Miscellaneous stamp collections.....	466.87		
Service income:			
Justice of the peace fines and fees.....	376,008.37		7,784.37
Tobacco inspection fees.....	159,493.56		
Grand total.....	42,919,224.65	5,636,932.08	4,943,032.07

NOTE.—The provincial shares of the cities of Manila and Baguio are considered as municipal funds.

COST OF COLLECTION

During the last 10 years the cost of collection for each peso has been as follows: 1.87 centavos in 1916, 1.51 centavos in 1917, 1.28 centavos in 1918, 1.31 centavos in 1919, 1.27 centavos in 1920, 1.80 centavos in 1921, 1.62 centavos in 1922, 1.49 centavos in 1923, 1.40 centavos in 1924, and 1.50 centavos in 1925.

The decrease in the cost of collection per peso in 1925 is attributable to the largest amount of revenues collected so far, even exceeding the collections of 1920, the best year of the prosperous era brought about by the World War, which amounted to ₱52,279,177.22, the collections for 1925 being ₱53,499,188.80. This amount is a hopeful sign of the much-commented return to normalcy. Compared with the collection of ₱48,867,909.54 for 1924, the year just ended shows an increase of ₱4,631,279.26.

ALCOHOLIC PRODUCTS

Distilled spirits.—During the fiscal years 1924 and 1925 the quantities of distilled spirits removed from distilleries, including those exempt from tax, as well as by-products such as fusel oil, were 16,721,639 proof liters and 19,971,076 proof liters, respectively, or an increase of 3,249,437 proof liters.

Taxes amounting to ₱274,440.09 and ₱317,218 were collected on imported distilled spirits during 1924 and 1925, respectively. In 1924, 346,138 proof liters of distilled spirits were imported, and in 1925 there were imported 402,561 proof liters.

On December 31, 1925, there were in operation throughout the islands 80 registered stills of modern type, as compared with 80 in operation on December 31, 1924; 79 on December 31, 1923; 77 on December 31, 1922; 86 on December 31, 1921; and 81 on December 31, 1920.

Wines.—The local consumption of still wines and imitation wines was 1,300,189 gauge liters in 1924 and 1,609,653 gauge liters in 1925, or a per capita consumption of 0.11 and 0.14 gauge liter, respectively.

Fermented liquors.—The quantities in gauge liters of domestic and imported beer on which taxes were collected during the years 1924 and 1925 were, respectively, 3,517,006.50 and 3,823,019.10, or a per capita consumption of 0.30 gauge liter and 0.32 gauge liter. In addition to the quantity of fermented liquors consumed in the islands, local brewers produced, during the years 1924 and 1925, 61,977.40 and 60,706.80 gauge liters, respectively.

TOBACCO PRODUCTS

Smoking and chewing tobacco.—The following table shows the quantities of domestic and imported smoking and chewing tobacco on which taxes were collected during the years 1924 and 1925:

Kind	1924			1925		
	Domestic	Imported	Total	Domestic	Imported	Total
Smoking tobacco.....	<i>Kilos</i> 407,250	<i>Kilos</i> 52,409	<i>Kilos</i> 459,659	<i>Kilos</i> 446,347	<i>Kilos</i> 46,612	<i>Kilos</i> 492,959
Chewing tobacco.....	237,358	324,575	561,933	247,736	368,925	616,661
Total.....	644,608	376,984	1,021,592	694,083	415,537	1,109,620

During the years 1924 and 1925, local manufacturers produced 28,446 and 29,410 kilos of smoking tobacco, which were removed for export to foreign countries.

Stripped and partially manufactured tobacco.—During the years 1924 and 1925, respectively, there were removed for export 981,852 and 857,077 kilos of stripped and partially manufactured tobacco.

Leaf tobacco.—In 1924, 20,874,090 kilos of leaf tobacco were exported, in comparison with 16,109,295 exported in 1925, or a decrease of 4,764,795 kilos.

Cigarettes.—The total consumption of cigarettes in the Philippines during the year 1925 was 4,801,149,350, as compared with 4,617,721,346 cigarettes during the preceding year, the total production being, respectively, 4,849,000,815 and 4,658,228,608. Of the first number, 1,112,320 cigarettes were exported to the United States and 46,739,145 to foreign countries. In 1924, 813,080 cigarettes were exported to the United States and 39,694,182 to foreign countries. It will be seen, therefore, that of the total production for the two years, 99.01 per cent was consumed in the Philippine Islands, 0.97 per cent was exported to foreign countries, and 0.02 per cent was shipped to the United States in 1925, in comparison with 99.13 per cent, 0.85 per cent, and 0.02 per cent, respectively, for 1924.

Matches.—During the year 1924 the number of gross boxes imported and domestic matches removed for domestic consumption were 1,083,326.69 and 16,660, respectively, as compared with 1,259,873.69 and 4,645 gross boxes for 1925.

The decrease in the collection of the tax on domestic matches is due to the fact that they can not compete with foreign manufactured matches,

because the kind of wood available in this country for the production of these articles does not permit the putting of more than about 50 sticks to the box, on which the tax rate applicable is the same as that in force on foreign manufactured matches, which contain from 80 to 100 sticks to the box. Unless, therefore, an amendment is introduced with reference to the tax rates on matches, it is feared that the local industry will soon perish to give way to foreign manufactured matches, which, under the present law, are placed at an advantage.

THE TOBACCO PRODUCTION WORK OF THE BUREAU

The Philippine cigar trade in the United States.—During the year 1925 there were exported to the United States a total of 212,873,752 cigars, as compared with 185,536,675 cigars exported to that country during 1924, or an increase of 27,337,077. This increase is attributable to the maintenance of the excellent quality of the goods being sent to that market and the efforts of Messrs. C. A. Bond and David F. Morris, Philippine tobacco agents in the United States, in traveling in that country more extensively, thus introducing Philippine cigars in places where before they were not known.

Effective September 1, 1925, the allowance for the expense of reconditioning cigars which become moldy or worm-eaten upon reaching the United States, or within 60 days after arrival in that country, has been reduced from \$0.50 to \$0.15 per thousand. This reduction was made on account of the depleted condition of the tobacco-inspection fund. Furthermore, believing that the time has come when the manufacturers should stand behind their products in order to build the Philippine cigar trade in the United States on a solid foundation, the tobacco board, created by Act No. 3179, recommended to the proper authorities by resolution under date of September 4, 1925, the repeal of section 10 of Act No. 2613, which grants the said allowance for reconditioning. The following are the changes in the amounts of the allowances for reconditioning expenses granted since the said provision of law took effect in 1916: \$1.50 per thousand prior to January 1, 1922, when it was reduced to \$1 per thousand, which rate lasted up to July, 1923, when it was raised to \$1.50 per thousand again. On January 1, 1925, the allowance was reduced to \$0.50 per thousand, and effective September 1, 1925, a further reduction was made to \$0.15 per thousand, as above stated.

Experiments on the quick fermentation of leaf tobacco and the immunization of cigars from mold and worms.—Great interest was shown in experiments for the quick fermentation of leaf tobacco through a process discovered by Dr. Johannes Heber, of Germany, as well as in experiments for the immunization of tobacco from mold and worms by "oxygen" treatment discovered by Mr. Sinfaroso Prieto, Manila. The demonstration carried out by Dr. Johannes Heber proved successful. However, the process can not be adopted in view of the heavy expense entailed in its use.

The Philippine tobacco trade in China.—In the past several years China has been one of the three leading markets for Philippine cigars. Due, however, to the unsettled political conditions in that country, the Philippine tobacco trade there has not been stable. Besides, considerable harm has been caused the Philippine cigar trade in China on account of the practice of some unscrupulous manufacturers in that country of marking their product with labels which are imitations of those of certain cigar manufacturers in the Philippines, and at the same time falsifying the Philippine government export label for tobacco products. In this way discredit is caused the genuine product to the great prejudice of the Philippine cigar trade in that market. On the one hand, the factories whose products are being misrepresented are doing everything possible to guard their interests in China, and, on the other, this bureau, in order to stop the imitation, simulation, counterfeit, or falsification of the export stamp of the government for tobacco products, sent certified samples of the said stamp to the corresponding authorities in China, as well as in Hongkong and the Straits Settlements, through His Excellency the Governor General, Manila, and the American consuls in those places.

During the latter part of the year information was received to the effect that there was presented before the China tariff conference a proposed ordinance to impose a duty of 30 per cent ad valorem upon all manufactured tobacco products imported into China. Appeal was made to His Excellency the Gover-

nor General of the Philippine Islands, so that the proposed measure might be protested. His Excellency took up the matter with the Chief of the Bureau of Insular Affairs, Washington, D. C., and advice has been received that the members of the American delegation to the China tariff conference have been given proper instructions.

The tobacco board.—The tobacco board, created by Act No. 3179, to be composed of the collector of internal revenue as ex-officio chairman, and as members the director of agriculture, the director of the bureau of commerce and industry, two manufacturers designated by the Manila Tobacco Association, and two persons representing the interests of the tobacco producers and growers appointed by the Governor General, was formally organized on December 23, 1924, when that body held its first meeting. During the year 1925 the board held eight meetings, at which allotments from the tobacco-inspection fund were made as well as transfers from one item to another of amounts previously allotted.

LICENSE, BUSINESS, AND OCCUPATION TAXES

Dealers in alcohol and tobacco products.—There were collected as privilege taxes on dealers in alcohol and tobacco products during 1925, ₱1,290,606.70, as compared with ₱1,188,456.10 collected during 1924, an increase of ₱102,150.69, or 8.5 per cent. Of the total collections from this source; 30.09 per cent was paid by dealers in distilled spirits and wines; 37.23 per cent by dealers in tobacco products; 27.01 per cent by dealers in fermented liquors, tuba, basi, and tapuy; and 5.67 per cent by manufacturers and peddlers of liquors and tobacco products, as against 28.92 per cent, 37.19 per cent, 27.47 per cent, and 6.42 per cent, respectively, for 1924.

Merchants, manufacturers, and common carriers.—There were collected as percentage taxes on merchants, manufacturers, common carriers, and other persons subject to the percentage taxes of 1 per cent during the fiscal year 1925, together with the one-half of 1 per cent provided by Act No. 3065, ₱18,738,708.11, as against ₱17,709,597.95 collected during the fiscal year 1924, or an increase of ₱1,029,110.16, or 5.8 per cent. The amount paid by merchants, manufacturers, and peddlers represented 94.18 per cent of the total collections; by printers, publishers, contractors, warehousemen, and hotel and restaurant keepers, 4.28 per cent; and by common carriers, 0.94 per cent in 1925, as compared with 94.85 per cent, 4.29 per cent, and 0.86 per cent, respectively, for 1924.

Occupations, trades, and professions.—Privilege taxes were collected in the amount of ₱1,347,462.22 in 1925, as against ₱1,260,083.95 during 1924, or an increase of ₱87,378.27. Of the total collections in 1925, 62.44 per cent was paid by proprietors of cockpits; 14.33 per cent by commercial, stock, and real-estate brokers; and 23.33 per cent by lawyers, doctors, civil engineers, surveyors, and other professionals. By the provisions of the internal revenue law the privilege-tax collections from owners of cockpits and the taxes on cockfights accrue entirely to the treasuries of the various municipalities in which such taxes are collected. Eight hundred and ninety-five municipalities and townships availed themselves of the provisions of the law authorizing the imposition by municipal councils of additional taxes on cockpits. The rates of additional privilege taxes thus imposed range from ₱4 to ₱16,000 per annum. There were 186 municipalities, townships, and municipal districts in which no cockpit tax receipts were issued during 1925.

Banks and bankers.—The following comparative statement, based upon taxes assessed and collected, shows the average amount of capital employed by, average amount of deposits with, and average amount of circulation of banks during the period from July 1, 1923, to June 30, 1924, and from July 1, 1924, to June 30, 1925:

	July 1, 1923, to June 30, 1924	July 1, 1924, to June 30, 1925
Average capital.....	₱31,520,960.39	₱34,728,692.63
Average deposits.....	141,109,954.00	143,786,610.26
Average circulation.....	39,986,273.54	39,826,255.39

Insurance companies.—The following table, based on the statements rendered, shows the total amount of each kind of insurance on which premiums were paid and the average rate of premiums paid during the calendar years 1923 and 1924.

	1923		1924	
	Total amount of insurance	Average rate of premium	Total amount of insurance	Average rate of premium
		<i>Per cent</i>		<i>Per cent</i>
Fire.....	P343,656,012.51	1.02	P336,180,955.52	0.97
Marine.....	331,057,476.53	.51	380,039,773.37	.46
Life.....	50,958,347.50		35,536,930.00	
Accident.....	1,458,431.00	1.69	1,749,595.00	1.72
Fidelity and surety.....	17,102,006.20	1.41	18,264,242.62	1.40
Typhoon and earthquake.....	19,693,008.00	.46	21,178,590.00	.47
Motor cars.....	2,399,187.00	2.74	2,204,050.00	3.05
Personal baggage.....	4,500.00	.66	149,925.00	.94
War (marine).....	10,057,117.00	.25	16,524,202.00	.23

CEDULAS

During the year 1925 there was collected as cedula taxes P5,208,260.50, as against P5,036,285 collected during the preceding year, an increase of P171,975.50, or 3.3 per cent. During 1924 there were sold 2,340,790 cedulas and in 1925, 2,409,181 cedulas, or an increase of 68,391 cedulas.

FRANCHISE TAXES

Of the total collection of P386,050.82 as franchise taxes in 1925, P154,804.73 accrued to the insular government, P183,966.16 to the city of Manila, P12,662.69 to Provinces, and P34,617.24 to other municipalities.

INCOME TAX

During the year 1925 the income-tax collection amounted to P3,336,923.82, which shows an increase of P753,337.93 over that for the year 1924, which amounted to P2,583,585.89. The 1925 collections consisted of P3,282,642.86 as taxes and P54,280.96 as penalties, while the 1924 collections consisted of P2,550,369.99 as taxes and P33,215.90 as penalties. The increase in income-tax collection is due to the more intensive investigation work permitted by the appointment of the additional 10 income-tax examiners and 10 assistant income examiners, as well as the employment of special investigators. The improved business conditions have also a great deal to do in connection with the increase in income-tax collection realized in 1925.

INHERITANCE TAX

In 1925 there was collected P300,572.55 as taxes and penalties on inheritances, legacies, and other acquisitions mortis causa, in comparison with P144,884.15 collected during the previous year, or an increase of P155,688.40. The total number of inheritance-tax returns filed during 1925 was 878, as compared with 1,093 returns filed in 1924.

PEARL FISHING

Under the provisions of Act No. 2604 there was collected during the year just ended the amount of P4,260, as compared with P3,552.50 collected in 1924, showing an increase of P707.50. This collection accrued intact to the treasuries of the respective Provinces where collected.

SPONGE FISHING

Pursuant to the provisions of Act No. 2584 there was collected the amount of P175.08, of which 20 per cent, or P35.02, accrued to the insular treasury;

40 per cent, or ₱70.03, to the provincial treasuries; and 40 per cent, or ₱70.03, to the municipal treasuries concerned.

BUREAU OF PRINTING

ACTIVITIES

Pursuant to section 1644 of the Administrative Code, this bureau has executed, as in previous years, all printing and binding requisitions made by the insular, provincial, and municipal governments, which consist of official forms, pamphlets, and publications of different bureaus and offices, election forms and official ballots used in the last general elections, and the reports of the educational survey board, etc. This bureau has also printed during the year the regular public documents for sale, such as public laws, Philippine reports, executive orders and proclamations, corresponding to the preceding year, official roster of 1925, and the regular issues of the Official Gazette in English and Spanish editions, three times a week. Printing plates or cuts ordered by private parties, such as color work, halftone and line etchings, electrotypes plates, and other miscellaneous work, and printing and binding orders by the Federal Government, have also been executed.

All the foregoing printing and binding work during the year was executed under 15,106 work orders, of which 8,772, amounting to ₱670,784.18, were for the insular government; 3,906, amounting to ₱359,714.95, for the provincial governments, including the city of Baguio; 1,461, amounting to ₱44,339.62, for the city of Manila; and for the Federal Government and outside parties, 967, amounting to ₱28,615.86.

APPRENTICESHIP SYSTEM

The instruction and training of apprentices on the different specialties of the trade were continued during the year, and their advancement from one class to the next higher through regular technical examination was made. However, their semiannual promotion in wages usually granted them on account of increased duties and responsibilities created by their advancement in grade and nature of work could not be given, due to the retrenchment policy of the government. Of the 90 apprentices in the service of this bureau mentioned in the last annual report, 19 have graduated during the year, and 5 resigned to accept positions with higher remuneration in private establishments. It is therefore to be desired that these apprentices upon graduation in their respective lines of work should get the salary commensurate with their position and assignment, as provided in the Civil Service Manual, to compensate their efforts and self-denial during over four years of apprenticeship, and at the same time insure their continuance in the service.

There being no institution in the islands where practical training and instruction of craftsmanship in the printing trade are undertaken, it becomes apparent that the government should continue as heretofore the apprenticeship system in this bureau to provide competent workmen in the future; otherwise the efficiency of the service will be affected and the good standard quality of production will not be maintained.

The following shows the distribution on December 31, 1925, of apprentices and junior craftsmen still under instructions by divisions:

Composing division-----	37	Bindery division-----	5
Press division-----	12	Power plant-----	6
Photo-engraving division-----	5		
Foundry division-----	1	Total-----	66

PERSONNEL

There were 474 employees on the rolls of the bureau of printing on December 31, 1925. Of these, 66 are apprentices in the different divisions, as shown in the foregoing table. This bureau has no native employee of the non-Christian tribes detailed in the special provinces.

During the year there had been 41 employees dropped from the rolls of this bureau. Of this number 4 died, 14 voluntarily resigned, 16 retired, 4 were dropped for desertion of posts, and 3 were transferred to other government bureaus.

FISCAL OPERATION

The product of the bureau of printing for the fiscal year 1925, as during the previous year, was charged at the same uniform scale of prices, the total amounting to ₱1,166,123.27. During that period the cost of operations (Table No. 1) was ₱941,998.89, making a profit of ₱224,124.38. Deducting from this amount the total loss of ₱15,381.87 incurred during the year on account of the revaluation of printing paper as provided in Act 3063, there still remains a net profit of ₱208,742.51.

Record of deliveries.—The extent of the work of the delivery section is shown by the following table, the corresponding figures for the fiscal years 1921, 1922, 1923, and 1924 being also given:

Method of transportation	Number of packages	Pounds	Method of transportation	Number of packages	Pounds
By auto trucks (Manila):			By freight:		
1921.....	31,845	529,349	1921.....	3,033	454,485
1922.....	33,301	555,916	1922.....	2,724	413,045
1923.....	41,489	611,935	1923.....	2,910	428,510
1924.....	43,766	708,690	1924.....	2,943	418,365
1925.....	40,492	673,761	1925.....	3,680	536,560
By mail (including periodicals):			Total:		
1921.....	340,327	48,662	1921.....	376,205	1,032,496
1922.....	363,465	62,813	1922.....	399,490	1,031,774
1923.....	377,502	52,664	1923.....	421,901	1,093,109
1924.....	393,472	58,604	1924.....	440,181	1,185,659
1925.....	401,651	50,672	1925.....	445,823	1,260,993

Consumption of materials.—The cost of the printing paper (including envelopes, shipping tags, bristol board, cardboard, and tag board) and all other supplies required for operation, and which entered into the product during the year, was ₱391,314.74, or ₱66,895.39 less than the amount expended during the preceding year 1924. Included in the consumption of materials for the year are printing links of various colors and cloth and leather of different kinds for binding purposes, the quantity and cost of which are as follows:

	Quantity	Cost
Printing inks.....	3,683 pounds.....	₱4,115.52
Cloth for binding.....	11,307 yards.....	9,622.28
Leather for binding.....	1,936 skins.....	8,835.74

The following is a comparative statement of the quantity of paper consumed during the fiscal year 1903 and the last seven years:

Year	Book, writing bond, and ledger paper		Bristol board and card-board		Envelopes
	Ream	Pound	Sheet	Pound	
1903.....	7,201	347,164	48,530	15,808	192,000
1919.....	24,884	1,146,071	406,267	89,386	6,190,242
1920.....	28,891	1,220,442	592,472	73,669	7,891,313
1921.....	19,801	877,669	439,099	115,728	6,717,920
1922.....	14,597	638,632	366,207	94,227	6,127,624
1923.....	19,236	796,511	342,885	67,568	6,997,978
1924.....	19,251	820,716	348,318	85,682	7,720,281
1925.....	20,401	902,535	307,381	87,188	7,387,447

Books and pamphlets bound.—There have been bound during the year 922,340 pamphlets and 23,070 books of different publications of the government. Pamphlets less than 16 pages are not included.

Appropriation Act No. 3217.—The appropriation act for the fiscal year 1925 provided the bureau of printing with the amount of ₱1,221,740. The policy adopted by this bureau to use cheap quality of paper as far as practicable for all classes of printing and binding work received in this office and the exercise of rigid economy in the expenditures of supplies and printing materials during the year were partly responsible for the great saving made in the item of consumption of supplies and materials.

Receipts and expenditures.—The following comparative statement shows the income, cost of operation, including depreciation of machinery, and other equipment, and net profits of the bureau during the fiscal years 1903 and 1919 to 1925, inclusive, together with the per capita of each year's receipts and expenditures:

Year	Receipts	Expenses	Net profits	Per capita upon—	
				Receipts	Expenditures
1903.....	₱443,920.20	₱395,466.92	₱48,473.28	₱0.0581	₱0.0517
1919.....	1,223,884.96	1,177,007.81	46,877.15	.1159	.1115
1920.....	1,957,091.68	1,654,276.32	302,815.36	.1813	.1532
1921.....	1,565,512.39	1,408,156.07	157,366.32	.1417	.1275
1922.....	1,557,832.07	1,289,290.02	268,542.05	.1379	.1141
1923.....	1,253,250.63	1,136,724.63	116,526.00	.1087	.0986
1924.....	1,091,177.63	1,013,954.50	77,223.13	.0928	.0863
1925.....	1,166,123.27	941,998.89	224,124.38	.0972	.0785

The increase in receipts is due mainly to the printing and binding of election forms and official and sample ballots used in the general elections held during the year. The low price of printing paper and other materials that entered into the product is responsible for the decrease in the expenses.

Status of fiscal affairs.—Table No. 2 shows in detail the status of the fiscal affairs of the bureau at the beginning and end of the fiscal year 1925. Included in the current assets and kept for sale by the bureau of printing are the Official Gazette and public documents, the selling prices of which amounted to ₱260,135.69 on December 31, 1925.

Documents and supplies.—Public documents and publications and miscellaneous supplies to the value of ₱63,283.28 were sold during the year.

There was a debit balance for the Official Gazette (English) of ₱26,952.39; of documents, ₱150,927.14. There was a credit balance for the *Gaceta Oficial* (Spanish) of ₱26,434.37. On December 31, 1925, there were 957 paid and 134 free subscribers to the Official Gazette and 1,316 paid and 61 free subscribers to the *Gaceta Oficial*.

Stock forms.—For the purpose of economy and for the convenience of requisitioners, this bureau, in accordance with section 1647 of the Administrative Code, keeps in its sales stock printed copies of various official and accountable forms regularly used by the insular, provincial, and municipal governments. There were printed during the year and delivered into stock blank forms computed at ₱285,783.05. During the same period issues from stock amounted to ₱314,938.45.

Census reports.—This bureau is in charge of the sale of this publication by authority of the council of state. The following table shows the number of copies of each volume sold during the year, as well as the number of copies still on hand December 31, 1925:

Volume	English edition		Spanish edition	
	Number of copies sold	Number of copies on hand	Number of copies sold	Number of copies on hand
Appendix:				
Paper.....	16	5,222		
Cloth.....	1	833		
Russia.....		2		
Volume I:				
Paper.....	27	104		
Cloth.....	7	2,482		
Russia.....	3	4		

Volume	English edition		Spanish edition	
	Number of copies sold	Number of copies on hand	Number of copies sold	Number of copies on hand
Volume II:				
Unbound.....		71		54
Paper.....	19	1,495	4	4,508
Volume III:				
Unbound.....		52		49
Paper.....	16	1,513	3	4,473
Russia.....	2			5
Volume IV, part 1:				
Cloth.....	15	1,337		869
Paper.....			4	3,599
Russia.....	4	109	1	73
Volume IV, part 2:				
Unbound.....		15		22
Paper.....	21	1,573	4	4,595
Total.....	131	14,812	16	18,247

As may be seen from the above statement, only 147 copies (131 English and 16 Spanish) of the census reports were sold during the year, in spite of the fact that the selling prices had been reduced to almost one-half of the original cost to push the sales, there being still 33,059 volumes on hand. It should be borne in mind that most of the data contained in the census reports compiled since 1918 are becoming obsolete as the years pass by, and their disposal, therefore, in some manner, before the usefulness of the publication is gone, demands prompt action. It is desired to state that, although this office is taking every precaution and care to preserve these books, their deterioration can not be prevented; besides, they occupy a considerable space in the document bodega which can be used advantageously for other purposes.

Outstanding obligations.—The outstanding obligations on December 31, 1925, amounting to ₱260,414.89, are divided as follows:

Contingent: Requisitions for printing paper, equipment, and supplies (estimated)	₱194,722.44
Accounts payable:	
Accrued leave earned.....	₱32,079.84
Extra compensation (bonus) earned.....	30,217.40
Return transportation (Act No. 80).....	300.00
Freight on printing and binding shipments.....	2,696.21
All other.....	399.00
Total accounts payable.....	65,692.45
Total liabilities.....	260,414.89

In Table No. 3 are shown the consumers of the product of the bureau of printing and the cost to each of the work executed for the fiscal year 1925 compared with the same information for 1924.

TABLE NO. 1.—Operating statement for the fiscal year 1925, compared with that of 1924

INCOME

	Jan. 1 to Dec. 31, 1924	Jan. 1 to Dec. 31, 1925
Printing and binding service:		
Insular government.....	₱676,383.75	₱665,027.34
Provincial and municipal governments.....	272,475.18	359,714.95
City of Manila.....	50,728.06	44,339.62
Other government offices.....	2,339.90	5,756.84
United States Army and Navy.....	218.67	96.08
Private firms and individuals.....	56,690.81	28,519.78
Subtotal.....	1,058,836.37	1,103,454.61

TABLE No. 1.—*Operating statement for the fiscal year 1925, etc.—Continued*
INCOME—Continued

	Jan. 1 to Dec. 31, 1924	Jan. 1 to Dec. 31, 1925
Sales of supplies:		
Documents.....	P18,663.76	P33,781.48
Official Gazette.....	10,299.45	11,100.90
Gaceta Oficial.....	17,186.15	15,218.40
Miscellaneous.....	3,153.21	3,182.50
Subtotal.....	49,302.57	63,283.28
Total sales of supplies and services.....	1,108,138.94	1,166,737.89
Deduct cost of goods sold.....	—299,778.28	—361,093.86
Gross profit on sales.....	808,360.66	805,644.03
Incidental receipts.....	1,578.49	2,570.88
Production account.....	281,238.48	357,644.96
Fabricated equipment.....		263.40
Gross income.....	1,091,177.63	1,166,123.27
EXPENSE		
Salaries of officers and employees.....	P59,505.14	P58,460.80
Wages of laborers and apprentices.....	435,566.55	430,091.77
Traveling expenses of personnel.....	2,186.54	2,258.50
Freight, express, and delivery service.....	4,202.37	5,080.87
Postal, telephone, telegraph, and cable service.....	3,288.03	3,222.88
Illumination and power service.....	1,011.04	1,298.08
Other services.....	4,811.17	3,787.53
Consumption of supplies and materials.....	458,210.13	391,314.74
Free distribution of documents.....	9,706.85	9,917.65
Maintenance of equipment.....	1,439.69	1,330.97
Depreciation of equipment.....	34,026.99	33,639.25
Deterioration of supplies and sales stock.....		56.88
Extraordinary losses.....		1,518.97
Gross expense.....	1,013,954.50	941,998.89
Gross profit.....	77,223.13	224,124.38
Less loss on account of revaluation of printing paper.....	32,895.00	15,381.87
Net profit.....	44,328.13	208,742.51

TABLE No. 2.—*Financial statement at the close of business during fiscal years 1924 and 1925*

Item	Status Dec. 31, 1924	Status Dec. 31, 1925	Increase	Decrease
Fixed assets:				
Land.....	P129,612.00	P129,612.00		
Buildings.....	329,572.82	329,572.82		
Machinery and other equipment.....	883,682.61	888,774.19	P5,091.58	
Accrued depreciation.....	—581,303.90	—611,911.09	—30,607.19	
Capital account.....	761,563.53	736,047.92	—25,515.61	
Current assets:				
Printing paper.....	360,578.55	230,771.38		P129,807.17
Other materials.....	212,539.03	156,468.61		56,070.42
Work in process.....	27,820.27	19,523.49		8,296.78
Sales stock.....	275,039.73	263,704.86		11,334.87
Prepayment.....	35.28	33.48		1.80
Accounts receivable.....	206,887.04	241,348.92	34,461.88	
Cash in insular treasury.....	—1,009,779.04	—827,996.33		—181,782.71
Cash in hands of officers.....	622.68	732.47	109.79	
Total.....	73,743.54	84,586.88	34,571.67	23,728.33
Total of all assets.....	835,307.07	820,634.80	9,056.06	23,728.33
Liabilities: Fixed capital.....	761,563.53	736,047.92		25,515.61
Current liabilities:				
Accrued leave.....	29,755.28	32,079.84	2,324.56	
Extra compensation.....	32,132.00	30,217.40		1,914.60
All other.....	11,856.26	22,289.64	10,433.38	
Total liabilities.....	835,307.07	820,634.80	12,757.94	27,430.21
Reversion of receipts.....	1,091,636.41	1,184,392.44	92,756.03	

TABLE NO. 3.—*Printing and binding executed and delivered during the period from January 1 to December 31, 1924-25*

Name of customer	Cost of work executed	
	1924	1925
Governor General:		
Bureau of audits.....	P8,950.50	P12,217.31
Board of accountancy.....	371.60	276.47
General purpose fund.....		4.38
Bureau of civil service.....	3,969.20	3,880.98
Executive appropriation.....	11,784.87	13,422.20
Department of the interior:		
Bureau of non-Christian tribes.....	566.18	825.69
Philippine General Hospital.....	5,735.58	8,325.59
Philippine Constabulary.....	24,125.94	14,854.27
Executive bureau.....	1,776.61	3,547.23
Board of examiners.....	1,072.31	810.47
Office of the public welfare commission.....	11,904.27	10,101.76
Metropolitan water district.....	2,781.19	5,756.84
Philippine board of examiners for architects.....	12.35	
Department of public instruction:		
Bureau of education.....	62,668.72	39,854.29
Philippine health service.....	25,579.16	41,900.10
Bureau of quarantine service.....	528.85	253.14
University of the Philippines.....	6,083.29	11,696.57
College of Agriculture.....	936.56	1,451.75
College of Engineering.....	196.80	308.30
College of Liberal Arts.....	728.65	524.95
College of Fine Arts.....		17.00
College of Law.....	334.25	628.40
College of Medicine.....	503.95	1,125.35
College of Veterinary Science.....	54.64	329.66
College of Conservatory of Music.....	6.40	202.80
College of Education.....	178.45	455.85
Junior College, Cebu.....	406.59	287.79
Library.....	371.05	389.65
Philippine Barrister, College of Law.....	20.75	
Forest School.....	41.70	63.34
Educational survey board.....		6,347.85
Department of finance:		
Bureau of customs.....	16,387.18	13,514.87
Bureau of internal revenue.....	71,712.25	55,053.49
Treasury bureau.....	3,408.03	4,422.76
Bureau of printing.....	11,726.45	9,690.70
Bureau of printing sales stock—		
Stock forms.....	251,934.85	183,009.45
Gaceta Oficial.....	13,422.09	13,916.16
Official Gazette.....	11,731.37	12,845.00
Executive bureau.....	12,799.65	23,792.20
Judiciary.....	16,612.55	27,036.55
Miscellaneous.....	4,167.45	2,580.65
Manila harbor board.....		7.60
Textbooks board.....	23.90	18.00
Department of justice:		
Bureau of justice.....	21,699.55	23,283.38
Board of public utility commissioners.....	429.44	1,491.21
Inferior courts.....	1,299.29	1,499.90
Philippine Library and Museum.....	1,155.25	925.45
Bureau of prisons.....	8,312.45	7,571.43
Supreme court, clerk.....	2,457.33	2,570.76
General land registration office.....	11,369.05	16,215.92
Gaceta official land notices.....	15,399.88	10,017.91
Official Gazette land notices.....	12,417.18	8,038.33
Segregation.....	15.15	9.75
Department of agriculture and natural resources:		
Bureau of agriculture.....	141.70	20.63
Rice colonization and plantation fund, act 2518.....	49.18	32.30
Stock herds and farms.....		28.60
Bureau of forestry.....	11,114.61	9,453.14
Bureau of lands.....	40,863.03	36,932.65
Bureau of science.....	34,402.93	42,991.71
Weather bureau.....	8,916.79	13,744.26
Philippine Commission of Independence.....	3,516.79	
Department of commerce and communications:		
Bureau of public works.....	33,777.51	41,239.49
Bureau of posts.....	114,569.24	104,958.93
Bureau of supply.....	11,190.85	8,618.57
Division of cold storage.....	4,165.32	3,150.92
Bureau of labor.....	1,118.60	3,319.03
Bureau of coast and geodetic survey.....	1,191.65	585.29
Bureau of commerce and industry.....	15,105.64	25,838.61

TABLE No. 3.—*Printing and binding executed and delivered during the period from January 1 to December 31, 1924-25—Continued*

Name of customer	Cost of work executed	
	1924	1925
City of Manila:		
Municipal board.....	P2,594.94	P6,056.47
Department of city schools.....	1,301.03	1,183.22
The city treasurer.....	3,960.07	4,488.39
Department of engineering and public works.....	4,561.47	4,816.59
Fire department.....	619.70	1,088.95
Department of law—		
City fiscal.....	1,080.65	1,408.35
Court of first instance.....	2,685.61	3,644.18
Notices in the Official Gazette.....	106.76	153.00
Municipal court.....	1,956.65	1,684.40
Register of deeds.....	97.05	—
Sheriff of Manila.....	459.05	396.55
Department of police.....	2,798.84	2,140.62
Department of finance.....	9,311.74	15,021.60
Accounting section.....	—	117.23
City Girls' Reformatory.....	19.89	—
City Boys' Reformatory.....	204.59	17.55
Insane asylum.....	79.85	86.12
Office of the physician.....	178.50	20.50
Office of the mayor.....	749.99	456.51
District auditor's office.....	229.02	352.53
Law department.....	23.52	4.00
Department of public recreation.....	376.15	32.05
Department of assessment.....	683.31	399.37
Calamity relief board.....	—	346.95
Tourist fund.....	—	420.80
City sanitarium.....	—	3.69
House of Representatives.....	28,638.20	20,742.47
Philippine Senate.....	17,857.76	10,560.34
Provinces:		
Abra.....	2,888.07	3,250.03
Agusan.....	2,342.42	2,242.30
Albay.....	9,789.14	10,229.79
Antique.....	2,466.51	4,020.91
Bataan.....	2,736.64	2,821.76
Batanes.....	845.66	1,414.45
Batangas.....	8,539.18	10,429.47
Bohol.....	9,710.37	11,999.84
Bulacan.....	9,098.73	8,640.10
Cagayan.....	4,626.30	8,498.65
Capiz.....	7,155.81	11,858.35
Romblon.....	2,781.65	2,038.87
Cavite.....	5,937.94	6,152.22
Cebu.....	17,704.04	21,613.39
Provincial puericulture center.....	36.05	—
Camarines Sur.....	6,144.33	7,307.22
Camarines Norte.....	1,583.52	2,195.28
Ilocos Norte.....	6,541.66	8,313.84
Ilocos Sur—		
Provincial treasurer.....	6,966.59	8,289.62
Municipal treasurer.....	229.09	60.62
Iloilo.....	17,928.31	21,157.73
Isabella.....	3,556.97	3,201.80
Laguna.....	11,623.39	9,540.29
Provincial Hospital.....	—	59.13
Leyte.....	13,102.78	15,414.32
Department of Mindanao and Sulu:		
Bukidnon.....	662.93	1,845.68
Cotabato.....	1,962.10	3,614.32
Davao.....	6,690.00	5,227.05
Lanao.....	1,800.69	1,751.79
Sulu.....	3,013.55	2,474.06
Zamboanga.....	5,046.39	6,194.40
Masbate.....	2,469.92	1,840.62
Mindoro.....	3,259.45	3,119.60
Misamis.....	7,547.49	8,986.44
Mountain.....	3,765.56	4,910.47
Isular aid health fund.....	—	118.60
Marinduque.....	1,902.39	2,697.82
Negros Occidental.....	11,605.67	14,671.69
Negros Oriental.....	5,562.68	5,944.50
Nueva Ecija.....	7,959.12	11,369.52
Nueva Vizcaya.....	1,554.27	2,931.45
Pampanga.....	7,456.92	11,107.85
Pangasinan.....	13,503.97	23,466.18
Palawan.....	1,035.47	2,210.30
Rizal.....	6,376.38	10,856.48

TABLE NO. 3.—*Printing and binding executed and delivered during the period from January 1 to December 31, 1924-25—Continued*

Name of customer	Cost of work executed	
	1924	1925
Department of Mindanao and Sulu—Continued.		
Samar.....	P6, 772. 51	P8, 408. 27
Sorsogon.....	4, 865. 43	6, 015. 39
Surigao.....	2, 165. 28	6, 191. 87
Tarlac.....	8, 608. 81	8, 917. 95
Tayabas.....	10, 267. 67	12, 006. 08
Provincial Hospital.....		33. 14
Union.....	4, 649. 73	6, 740. 74
Zambales.....	2, 530. 06	2, 976. 70
City of Baguio.....	1, 745. 27	2, 314. 75
Department of the United States Army and Navy.....	218. 67	96. 08
Private firms and individuals.....	56, 690. 81	28, 519. 78
Total.....	1, 381, 245. 93	1, 376, 333. 62

Respectfully submitted.

MIGUEL UNSON,
Acting Secretary of Finance.

His excellency the GOVERNOR GENERAL, *Manila.*

ANNUAL REPORT OF THE SECRETARY OF AGRICULTURE AND NATURAL RESOURCES

DEPARTMENT OF AGRICULTURE AND NATURAL RESOURCES,
Manila, April 5, 1926.

SIR: I have the honor to submit the following annual report of the department of agriculture and natural resources for the year 1925. Copies of the reports of the bureaus under this department are being forwarded to your office under a separate cover.

GENERAL

Office of the secretary.—With the exception of the appointment of a new chief clerk effective March 10, 1925, to fill the vacancy created by the dismissal for cause of the former incumbent, there has been no change in the personnel of the office of the secretary. There being no secretary, the under secretary continued as acting secretary of the department throughout the year.

Legislation.—The following are the most important of the various legislations affecting the department of agriculture and natural resources enacted by the legislature during the year, besides the 1926 general appropriation law and the one providing funds for public works:

Act No. 3223. An act to amend Act No. 3217, entitled "An act appropriating funds for the necessary expenses of the Government of the Philippine Islands during the fiscal year ending December 31, 1925 and for other purposes." (Locust extermination.) Approved October 19, 1925.

Act No. 3225. An act to amend section 1840 of Act No. 2711, known as the Administrative Code, as amended by Act No. 2902, extending the time during which lower group timber may be taken without license. Approved November 2, 1925.

Act No. 3230. An act to amend Act No. 3217, authorizing the director of agriculture, with the approval of the secretary of agriculture and natural resources, to use a sum not to exceed ₱65,000 out of the unexpected balances of the funds appropriated for his bureau for the fiscal year 1925, for the purchase of rubber seeds, and for other purposes. Approved November 14, 1925.

Act No. 3231. An act appropriating the sum of ₱15,000 for developing home canning and food preservation as an industry in the Philippines and for other purposes. Approved November 27, 1925.

Act No. 3236. An act to make an additional appropriation of ₱50,000 for the campaign against rinderpest and other contagious and infectious cattle diseases, by virtue of the provisions of Act No. 3166, and for other purposes. Approved November 27, 1925.

Act No. 3240. An act to authorize the partial application of Act No. 2259, entitled "An act providing certain special proceedings for the settlement and adjudication of land titles" in municipalities where a regular cadastral survey has not yet been begun. Approved November 27, 1925.

Act No. 3249. An act authorizing the sale of the land occupied by San Lazaro Hospital and the improvements thereon, under certain conditions, and for other purposes. Approved December 1, 1925.

Act No. 3251. An act to prohibit the exportation to foreign countries of seeds of abaca and its derivatives. Approved December 1, 1925.

Act No. 3263. An act to amend certain sections of article 3 of chapter 46 of Act No. 2711, known as the Administrative Code, making the provisions of said act more effective, and for other purposes. (Fiber.) Approved December 7, 1925.

BUREAU OF AGRICULTURE

AGRICULTURAL CONDITIONS ¹

This year has been the largest crop of rice and sugar cane ever produced in the Philippines, but all other crops and by-products registered decreases ranging from 2 to 24 per cent as compared with 1924, and some showed slight decreases, too, in the area cultivated, generally because of unfavorable weather and the attacks of plant pests during both years. These conditions were responsible for damage to about 5 per cent of the total area planted to all crops as against 16 per cent in 1924, and the prevalent plant diseases for about 2 per cent as against 1 per cent the year before. However, practically all crops were disposed of at higher rates than in 1924.

Palay (rough rice).—Breaking the previous record crop of 1923 by 4 per cent, 1,726,000 hectares was planted to this staple during 1925, and the yield was 45,653,000 cavans of palay, valued at ₱192,179,000 in the municipal markets. This year's rice crop was 1 per cent less in area but 10 per cent more in yield and 7 per cent greater in value as compared with that of last year. The average yield per hectare in 1925 was 26.45 cavans, against 23.92 in 1924, and the average prices were ₱4.21 per cavan during 1925 and ₱4.16 in 1924. Of the total area planted, it is estimated that about 29 per cent was of upland rice and 71 per cent lowland, yielding 10,917,000 and 34,736,000 cavans of palay, respectively.

Sulu, Masbate, Palawan, La Union, Nueva Vizcaya, Camarines Sur, Ilocos Norte, Rizal, Bataan, and Camarines Norte registered increases of above 25 per cent over their production in 1924, while Batanes, Occidental Negros, and Antique showed decreases of more than 10 per cent each.

The leading rice-producing Provinces—namely, Nueva Ecija, Pangasinan, Tarlac, Pampanga, and Bulacan—also registered increases, their combined production during 1925 being 19,506,000 cavans of palay, against 17,573,300 cavans in 1924, or an increase of 11 per cent.

Sugar cane.—With a total area slightly in excess of that planted in 1921, the largest on record, the sugar crop of the Philippines recorded this year 26 per cent increase over the largest crop ever gathered before—that of 1921. The area planted for 1925 was 240,000 hectares, yielding 10,170,000 piculs of sugar, 502,000 piculs of panocha, 4,078,000 liters of molasses, and 4,765,000 liters of basi, all together valued at ₱108,310,000. Compared with the yield for 1924, when the area planted was 227,190 hectares and the production was 7,132,640 piculs of sugar, 456,100 piculs of panocha, 3,880,570 liters of molasses, and 2,976,550 liters of basi, valued altogether at ₱105,667,180, the 1925 crop shows an increase of 42 per cent in the production of sugar, 10 per cent in that of panocha, 5 per cent in that of molasses, and 60 per cent in the production of basi.

This increase was, however, registered mostly in the Provinces where there are sugar centrals, for said Provinces produced, in 1925, 45 per cent more than in 1924, while in the remaining Provinces the increase averaged only 15 per cent. The average yield of sugar per hectare was 44 piculs, or 32 per cent more than in 1924. Here, too, it was only in the places in and around the sugar centrals where the farmers averaged 53 piculs per hectare in 1925 as against 38 piculs in 1924. In other places the average yield remained unchanged—around 20 piculs per hectare.

There was only a slight increase in the total value of this crop, however, because of a drop in prices to an average of ₱11.14 per picul of centrifugal sugar, ₱7.67 per picul of muscovado, ₱8.40 per picul of panochas, ₱0.15 per liter of molasses, and ₱0.08 per liter of basi. In 1924 the prices were ₱15.93 for centrifugal, ₱10.69 for muscovado, ₱9.50 for panochas, ₱0.17 for molasses, and ₱0.13 for basi.

Coconuts.—Some 2,000,000 trees were planted and the number in bearing increased by a like amount over the 1924 total, but the yields of nuts, copra, and tuba decreased by 5, 7, and 24 per cent, respectively, because of bad weather and of pests and diseases in 1924, it being estimated that the weather damaged 16 per cent of the trees, and pests and diseases, 2 per cent. There were 89,653,000 trees in 1925, of which 53,296,000 were in bearing and 449,000 tapped for tuba. The total production was 1,495,538,000 nuts, of which

¹ Crop statistics are for year ending June 30.

about 44,556,000 were sold fresh and the remainder made into copra and oil, yielding 5,713,000 piculs of copra and 1,991,000 liters of coconut oil. The oil production was 7 per cent greater than that for 1924, but both the copra and the tuba were less. The figures for 1924 were 1,576,629,000 nuts, of which 45,588,000 were sold fresh and the remainder yielded 6,119,150 piculs of copra and 1,865,770 liters of oil. The production of tuba was 87,252,000 liters in 1925, against 114,581,000 liters in 1924.

The prices for 1925 and 1924 were: For copra, ₱10.47 and ₱9.39 per picul, respectively; for oil, ₱0.43 and ₱0.41 per liter; for tuba, ₱0.08 and ₱0.07 per liter; and for nuts, ₱3.82 and ₱3.57 per hundred. The total value of coconut products was ₱69,600,000 in 1925, against ₱68,134,370 in 1924. There was an increase of 2 per cent.

Abaca.—The extraordinary floods and typhoons of 1924 caused a considerable damage to abaca plantations so that notwithstanding new plantings there was a reduction of 2 per cent in the area and of 8 per cent in the yield for 1925 as compared with 1924. There were 478,000 hectares in abaca, with a production of 2,891,000 piculs, in 1925 as against 485,340 hectares and 3,125,450 piculs in 1924. The prices, however, were much better, averaging ₱22.53 as against ₱13.11 in 1924, and consequently despite the reduced production there was this year an increase of ₱24,000,000 in the total value, which amounted to ₱65,148,000.

Leyte, Albay, and Samar, the Provinces that led in the production of abaca last year, suffered the greatest reductions this year. Their combined yield in 1924 was 1,671,000 piculs and this year they had only 1,297,288—a decrease of nearly 22 per cent.

Corn.—The corn crop showed a decrease this year, and prices failed besides. The total area planted was 522,000 hectares, and the yield was 7,606,000 cavans, valued at ₱30,767,000, or at ₱3.95 per cavan. In 1924 there were 533,230 hectares planted to corn, which yielded 7,830,320 cavans, valued at ₱33,303,960, or at ₱4.25 per cavan. There is thus a decrease of 2 per cent in area planted, 3 per cent in crop, 8 per cent in total value, and 7 per cent in the price per cavan.

Bulacan, Zamboango, Nueva Vizcaya, Pampanga, Laguno, Batanes, Masbate, Occidental Negros, and Palawan suffered reductions ranging from 25 to 46 per cent as compared with the previous year's crop.

Tobacco.—Practically the same area was planted to tobacco as in 1924, but the yield was 6 per cent smaller in 1925 because of unfavorable weather, there being but 886,000 quintals of tobacco leaf produced as against 941,800 quintals the preceding year. There was, however, a rise of 81 centavos in the average price per quintal—that is, from ₱12.22 in 1924 to ₱13.03 this year—and this made the value of the 1925 crop slightly greater, it being ₱11,547,000, against ₱11,505,420 of the 1924 crop.

Cagayan, Cebu, Isabela, and La Union were the Provinces that had the greatest decrease, averaging 11 per cent, their combined production being only 550,000 quintals this year as against 619,000 quintals last year. Ilocos Norte and Pangasinan, on the other hand, have increased their area by 30 per cent, and their yield, too, advanced 14 per cent. Together, they harvested this year 184,000 quintals, and in 1924 only 162,000 quintals.

Magwey.—Although the cultivation of this fiber is confined to some of the Provinces where abaca is not raised, there were 32,000 hectares under magwey, yielding 459,000 piculs of fiber during the year under review, which represent an increase of 9 per cent in area and 4 per cent in production as compared with 1924. There was moreover a rise of 56 per cent in price, so that this year's production was valued at ₱5,711,000, while that for 1924 only ₱3,649,140.

Cacao and coffee.—Both crops showed slight increases. On June 30, 1925, there were 2,085,000 cacao trees and 2,335,000 coffee trees, and the production this year was 1,210,000 and 1,178,000 kilos, respectively. In 1924 the production of cacao was 1,160,000 kilos, out of 1,969,400 trees under cultivation, and that of coffee 1,173,000 kilos, from 2,259,400 trees.

The prices for these products are slightly but steadily rising every year, due undoubtedly to an increasing demand and to inadequacy of local supply. The average prices paid during 1924 and 1925 were ₱1.04 and ₱1.08 per kilo for cacao and ₱0.69 and ₱0.71 per kilo for coffee, respectively. The value of production was ₱1,306,000 in 1925 as against ₱1,206,000 in 1924 for cacao; and ₱836,000 in 1925 as against ₱806,900 in 1924 for coffee.

Livestock.—As in previous reports, the figures for animals given here are one year behind; that is, they are for December 31, 1924.

There was a general increase in the number of all animals during the year 1925, but the rate of birth of some kinds of animals registered decreased on account of the prevalence of diseases during the two preceding years. For carabaos, it fell 1 per cent; for cattle, 3 per cent; horses and mules, 3 per cent; and hogs, 24.4 per cent; but for goats it increased 1.4 and for sheep 0.2 per cent.

As to diseases, there has been an improvement, except as regards horses and goats. The rate of mortality for these animals increased by 0.5 and 0.1 per cent, but for carabaos, cattle, hogs, and goats it decreased 0.4, 0.8, 0.4, and 0.3 per cent, respectively.

Meat consumption increased by fractions of 1 per cent for carabaos and sheep, remained the same for cattle and horses, and decreased 4 per cent for hogs and 0.2 per cent for goats.

GENERAL ADMINISTRATION

Change in the directorate.—On February 16, 1925, the Hon. Adriano Hernandez, who had been since July, 1916, the director of the bureau of agriculture, died, and Dr. Stanton Youngberg, then chief veterinarian of the bureau, who had been previously designated acting director effective January 2, 1925, continued in that designation till the 10th of November, when he was appointed ad interim director of agriculture. The position of assistant director, which became vacant in November, 1924, was not filled during 1925.

Comparative statement of expenditures and income, 1924 and 1925.—Exclusive of the special appropriation for the mutual insurance of work animals, which was a revolving fund, the total expenditure of the bureau of agriculture for 1925 was ₱1,394,164.72. This is ₱131,057.83 less than the total for the previous year, which was ₱1,525,222.55. The bureau's incomes for the two years were ₱386,771.47 and ₱392,889.17, respectively, a decrease of ₱6,117.70. The net cost of operation, therefore, of the bureau of agriculture for the year under consideration was only ₱1,007,393.23 as against ₱1,132,333.38 for 1924, a decrease of ₱124,940.13.

Reductions in the expenses in anthrax eradication, traveling expenses, purchase of furniture and equipment, contributions and gratuities, salaries, the construction and repair of the Sisiman slaughterhouse and quarantine station, and in supplies and materials were principally responsible for this decrease in expenditures, coupled by an increase of almost ₱6,000 in service income. The receipts and expenditures, total and per capita, of the bureau of agriculture for the last five years are as follows:

Year	Population	Receipts	Receipts per capita	Expenditures	Expenditures per capita	
					Actual	Net
1921.....	11,042,490	₱243,287.14	₱0.022	₱1,732,737.60	₱0.1569	₱0.14
1922.....	11,296,467	284,539.31	.0252	1,460,419.37	.1292	.10
1923.....	11,556,286	330,126.73	.0285	1,253,920.28	.1085	.08
1924.....	11,822,081	392,889.17	.0332	1,525,222.55	.1290	.096
1925.....	11,847,899	386,771.47	.0326	1,394,164.72	.1177	.085

PLANT INDUSTRY DIVISION

Experimental and propagation work has been conducted at the various experiment stations and substations on soils, fertilizers, and a large number of different crops, fruit trees and vegetables, both native and exotic species and varieties, especially rice (both upland and lowland varieties), corn, sugar cane, tobacco, abaca, and other fiber plants, citrus, mango, coffee, banana, and root crops. The division had, besides, 2,018 cooperators this year as against 897 in 1924. Over 48,000 seeds and 17,000 bud sticks and cuttings, together with almost 9,000 plants, all representing 178 species and 515 varieties, have been acquired by the division during the year for trial and propagation purposes. Much attention was given to rubber investigation this year. The division produced seeds and other plant materials for distribution and propagation worth nearly ₱22,500.

AGRICULTURAL EXTENSION DIVISION

Extension agents have been stationed in three more Provinces this year, namely, Leyte, with two agents, and Ilocos Norte and Zambales, with one each. Other Provinces have asked for the services of agents, but none could be assigned to them. Seeds and other plant materials have been supplied to 5,911 different parties, or 681 more than in 1924.

Horticulture has been given special attention, and over 200,000 fruit trees, a good number of which, being budded, grafted, or marcotted plants, have been planted during the year in the districts where there were agricultural extension agents. Aside from the government stations and nurseries, from which seeds and other plant materials worth over ₱15,000 have been sold and over ₱5,000 distributed free of charge to farmers and cooperators, farmers have been encouraged to start private nurseries. These nurseries have produced approximately 119,000 plants during the year. There were 10 provincial and 14 municipal nurseries under the supervision of the division. Two of the provincial nurseries were in Cebu and one each in Bohol, Bulacan, Laguna, La Union, Leyte, Nueva Ecija, Pampanga, and Pangasinan.

Besides fruit trees, some field crops such as corn, sugar cane, rice, tobacco, vegetables, etc., were also produced in these nurseries for distribution. Cuttings of improved varieties of sugar cane have been supplied to 147 co-operators, and 18,301 vegetable home gardens and 252 commercial gardens supervised during the year. Nearly 165,000 tobacco seedlings have been distributed to farmers in the Cagayan Valley to replace those destroyed by floods, besides a limited amount of some improved tobacco seeds furnished to over 200 planters for trial purposes. The tobacco growers in the valley were also told how to construct curing sheds and helped to plant supplementary crops, such as rice, corn, root crops, and fruit trees so that they would not be forced to sell their tobacco crop at a low price.

Due to many difficulties met with both in the organization campaign and in helping the associations to function, only 6 (3 poultry, 2 tobacco, and 1 mango) of the 24 producers' cooperative associations that existed at the beginning of the year and 2 new ones (1 poultry and 1 tobacco) remained active. The Nemmatan Tobacco Cooperative Association, in Jones, Isabela, has been particularly most successful in marketing its tobacco crop to the great satisfaction of the members. Forty-four commercial and over eight thousand six hundred individual poultry raisers, with a total of over 51,000 fowls, have been supervised or otherwise advised during the year by the agricultural extension agents.

PLANT PEST CONTROL DIVISION

The locust extermination campaign, the inspection of incoming and outgoing plant materials and of fields, orchards, and gardens for the control of plant pests and diseases, the survey and eradication of pests and diseases seriously affecting the coconut, abaca, and citrus industries, and the entomological and phytopathological research work constituted the principal activities of the division during the year. Allotments totaling ₱34,300 were made to a number of needy Provinces to assist them in their campaign against agricultural pests and diseases, besides actual service rendered by the bureau of agriculture.

Two administrative orders, namely, Nos. 51 and 52, were promulgated during the year, the former revoking Orders Nos. 26 and 45 and establishing interprovincial quarantine on all plants of the species of the genus *Musa*, in order to prevent the spread of two dangerous abaca diseases known as "heart rot" and "bunchy top," and the latter declaring black beetle (*Oryctes rhinoceros*) to be a dangerous pest to coconut and regulating the disposition of sawdust, bagasse, and other vegetable matter or rubbish from and near coconut plantations.

There has been a marked gradual improvement in the locust situation in the last three years. The lowest point of infestation was reached last February, when there were but 18 municipalities infested, as against 31 in 1924 and 33 in 1923; and at the height of infestation, which usually occurs in July, August, or September, there were only 121 municipalities with the pest, distributed in 16 Provinces in 1925, as compared with 208 (in 30 Provinces) and 283 (in 36 Provinces) municipalities during 1924 and 1923, respectively. Doubtless the locust scouting work, which consists of searching for and exterminating the locusts at their breeding places at entirely insular expense, as

provided under Act No. 3163, has helped very materially in improving the locust situation. On the other hand, Act No. 3146 has been a failure so far; it seems to be impractical.

The plant quarantine service during the year inspected 907 ships from foreign ports and 17,994 pieces of baggage, besides 865,403 parcels of plant material arriving through the customhouse and 1,103 parcels through the mail. Between 400 and 500 parcels of contraband plant materials, consisting mostly of sugar cane, citrus, rice, bamboo, and pineapples, have been intercepted by the plant quarantine inspectors.

ANIMAL HUSBANDRY DIVISION

There is an ever-increasing demand for purebred and selected grade animals, especially horses, cattle, pigs, and poultry, for breeding purposes. There is always a waiting list for every kind of animal raised by the bureau of agriculture. Two Arabian stallions, 1 Welch pony stallion, 1 pedigreed Ayrshire bull, 3 Nubian goats, and 1 Shropshire ram, besides some purebred pigs and poultry, have been added to the bureau's stock of breeding animals during the year. From the sales of animals and other products, the breeding stations of the bureau of agriculture realized during the year the sum of ₱22,287.33. Among the important experiments now going on is the castration of carabaos and Indian cattle grade bulls at different ages to determine the best age at which to castrate these kinds of animals.

The public breeding work at the bureau stations have been as a whole satisfactory, but that conducted in cooperation with the public schools have been generally a failure, mainly because of the lack of a genuine interest in animal husbandry on the part of those in charge of the work, and the lack of proper management and care of the animals. Many of those in charge did not even attend to the breeding reports regularly. The Santa Barbara station, the Indang Farm School, and Bukidnon, Central Luzon, and Pampanga Agricultural Schools, and the college of agriculture, however, realized a fair income from this cooperative breeding work, besides supplying the students' mess with some meat and eggs. On December 31, there were only 11 cooperative breeding stations functioning, whereas at the beginning of the year there were 20.

VETERINARY DIVISION

Importation from foreign ports.—During the year 1925 there arrived at the port of Manila 8,128 cattle from Australia, 1,301 cattle and 286 carabaos from Pnom-Penh, French Indo-China, 2 head of cattle from Japan, and 1 from the United States. Five hundred and forty-four carabaos arrived at Iloilo from Pnom-Penh. There was thus a decrease of 570 cattle and 1,968 carabaos as compared with the figures for 1924. Of course, no more carabaos have been imported after April 1, 1925, when Act No. 3156 went into effect.

Interisland shipments.—There came to Manila from interisland ports 11,660 cattle, against 14,686 during the preceding year. Carabaos numbered 2,089, an increase of 196 over the 1924 figures.

Inspection for which fees were collected.—A total of 148,258 animals of all kinds were inspected upon arrival at Manila, for which fees amounting to ₱20,645.05 were charged and collected. Of these animals, 121,524 were swine.

Post-mortem inspections in the slaughterhouses supplying meat to Manila.—At the different slaughterhouses supplying meat to the city of Manila a total of 140,943 animals were slaughtered during the year, of which 139,832 were passed for food and the other 1,111 condemned, as compared with 147,280, 146,334, and 946, respectively, in 1924.

Rinderpest.—During the year there were reported 14,143 cases of rinderpest and 10,747 deaths from this disease. In 1924, there were 19,599 cases and 16,932 deaths. The Provinces infected at one time or another during the year were Bulacan, Cagayan, Capiz, Cavite, Cebu, Ilocos Sur, Iloilo, Isabela, Laguna, La Union, Mountain, Nueve Ejija, Nueva Vizcaya, Occidental Negros, Oriental Negros, Pampanga, Pangasinan, Rizal, Tarlac, and Tayabas. At the beginning of the year, there were 34 municipalities infected, in 11 Provinces, and on December 31, 1925, there were 27, in 11 Provinces. There were 197 outbreaks of rinderpest, counting as a separate outbreak each time a municipality was taken up as infected or reinfected.

Table showing the rinderpest cases and deaths by quarter

Quarter	1925		1924	
	Cases	Deaths	Cases	Deaths
First.....	3, 291	2, 315	4, 709	3, 732
Second.....	4, 136	3, 043	6, 403	4, 850
Third.....	5, 344	4, 395	6, 685	5, 421
Fourth.....	1, 372	994	1, 802	1, 347
Total.....	14, 143	10, 747	19, 599	15, 350

Ilocos Sur, La Union, and the Mountain Province comprised the new territory invaded by the disease. These regions had not been infected to any considerable extent since 1912, and the toll taken by the disease was rather heavy by reason of the large number of susceptible animals that have grown up since the great epidemic over 10 years ago. Fortunately, the rinderpest infection elsewhere was on the wane, and this made possible the concentration on this new territory of the major force and equipment of the veterinary service, and with the cooperation of the Philippine Constabulary at the close of the year Ilocos Sur had been completely freed from the disease and La Union and the Mountain Province were rapidly cleaning up.

Rinderpest vaccine.—This product was used extensively in the Provinces of Pangasinan, Ilocos Sur, and others. It has given satisfactory results, but where the infection was severe it was found that as much as five injections were necessary to confer a strong enough immunity to ward off infection. A total of 210,901 animals, distributed among 11 Provinces, have been vaccinated during the year, against 220,817, in 12 Provinces, in 1924.

Simultaneous inoculation.—As last year, no money was appropriated to open stations for immunizing animals against rinderpest by the simultaneous inoculation method in 1925. However, carabaos and cattle were immunized by this method at the Pandacan quarantine station at cost to owners.

Anthrax.—No epidemic of this disease made its appearance during the year, but there were minor sporadic outbreaks in the Provinces of Bulacan, Bataan, Nueva Ecija, Pampanga, Pangasinan, and Tarlac, which were promptly dealt with by vaccination. A total of 591 cases and 558 deaths were registered, as against 3,936 and 3,381, respectively, in 1924 and 10,128 cases and 9,307 deaths the year before.

Miscellaneous diseases.—Sporadic cases of septicemia hemorrhagica have been reported in seven Provinces, while, as previously experienced, a few chronic cases of contagious bovine pleuropneumonia were discovered now and then in the various shipments of Australian cattle slaughtered at the Sisman slaughterhouse. Small outbreaks of surra have been reported in five Provinces, and there was an outbreak of foot-and-mouth disease in Bukidnon and another in Cotabato during the year. Relatively few animals died from this latter disease, mostly suckling calves, and all animals found infected with surra were slaughtered.

Veterinary research laboratory.—The activities in this laboratory consisted mostly in diagnostic work, the manufacture of rinderpest vaccine and anti-rinderpest serum, investigation into the best method of manufacturing the vaccine, and the immunization of work animals. During the year 1,445,280 cubic centimeters of the rinderpest vaccine and 193,600 cubic centimeters of the serum were produced.

RURAL CREDIT DIVISION

The work done by this division this year was largely a continuous hammering at all the associations with a view to getting those which have been more or less mismanaged by unworthy directors back to a proper manner of functioning, and stirring up those which have been found stagnating, and stimulating those which have shown progress.

It had been ruled that the bond of the municipal treasurers, who are ex-officio treasurers of the cooperative rural-credit associations, does not protect the funds of the associations. In order to safeguard the associations' funds, arrangements were made to have said ex-officio treasurers properly bonded.

With the cooperation of the provincial treasurers and district auditors, all but some 40 of such association treasurers were bonded in the fidelity bond during the year.

While more or less difficulty was experienced in collecting loans due, and court action had to be resorted to in some instances, mainly to make an example of the unscrupulous borrowers, the total amount collected during the year under review exceeded the division's expectations. Such associations as were unable to pay their loans obtained from the rice and corn funds applied for extensions under provisions of Act No. 3039. So far, the cooperation of provincial fiscals has been asked in only four cases. All the rest have been paying with reasonable promptness. The following tabulation shows the operations for 1925:

Amount due and unpaid from installments Jan. 1, 1925.....	₱261, 068. 99
Amount collected during 1925.....	279, 050. 45
Amount loaned during 1925.....	86, 950. 00
Amount due and unpaid for installments as of Dec. 31, 1925.....	114, 016. 66

Only one new association was organized and two were dissolved at the petition of the members during 1925.

Financial statistics.—As in previous reports, these statistics are one year behind. It is practically impossible to obtain the reports of the association treasurers on time. The following tabulation, therefore, shows the trial balance for 1924, as compared with that of 1923:

	Dec. 31—	
	1923	1924
Number of associations.....	547	546
Number of members.....	77, 479	81, 971
Number of borrowers.....	26, 945	28, 725
Number of depositors.....	3, 107	2, 699
Cash on hand.....	₱110, 223. 90	₱114, 907. 19
Loans to members.....	2, 488, 835. 61	2, 531, 996. 62
Property account.....	3, 295. 32	4, 547. 73
Other items.....	2, 688. 64	2, 330. 33
Capital stock.....	872, 668. 00	890, 621. 00
Deposits.....	109, 536. 59	103, 378. 54
Rice and corn fund.....	1, 023, 510. 24	967, 302. 16
Philippine National Bank.....	3, 448. 44	1, 434. 26
Other deposits.....	6, 596. 62	12, 316. 40
Surplus "A," entrance fee.....	19, 912. 01	18, 582. 74
Surplus "B," interest.....	536, 939. 79	598, 518. 42
Dividend account.....	11, 979. 40	30, 481. 85
Reserve fund.....	18, 299. 53	28, 113. 67
Other items.....	2, 146. 56	3, 092. 55
Total A. and L.....	2, 605, 043. 47	2, 653, 781. 87

As may be seen above, the circulating capital of all the associations on January 1, 1925, has shown the satisfactory increase of ₱58,738.40 and the capital stock an increase of ₱17,953 over that of the preceding year. The whole gain, consisting of undivided profits, was more than half a million pesos (₱598,518.42). This is ₱61,578.63 greater than that of the year before.

FIBER DIVISION

The inspection of fibers, particularly abaca fiber, was more rigid during 1925 than during any previous year. Of the total production of abaca, canton, and pacol fibers, 1,109,304 bales were certified as abaca of normal strength, 99,996 bales as abaca damaged, 33,678 bales as canton, and 2,263 bales as pacol fiber. There were, besides, 184,142 bales of maguay and 3,059 bales of sisal certified during the year. A total of 135,957 bales, representing about 11 per cent of the total production, were certified as damaged and weak fiber. This percentage is 6.6 per cent greater than the largest ever before (in 1924) registered.

Fiber-grading permits were issued to 138 establishments, located in 31 fiber-grading stations comprised in 14 Provinces (including Manila), during this year. In 1924 there were 139 establishments and 32 stations. The revenue derived from the enforcement of the fiber inspection law totaled ₱170,263.70, and this is ₱25,781.40 less than the 1924 collection. This decrease, as already indicated in the fore part of this report, was due mainly to a reduced abaca hectarage and production during the year on account of floods and typhoons.

During the year, Act No. 3263, effective July 1, 1926, was passed by the legislature. It provides for the transfer of the fiber inspection work of the fiber division of the bureau of agriculture to a service to be called the Philippine fiber-inspection service and to be controlled by a fiber-standardization board consisting of the director of agriculture, as chairman and executive officer, and of two members representing the producers, two fiber exporters, one manufacturer, and one middleman.

PUBLICATIONS AND STATISTICS

The total number of publications released during the year was 133, as against 49 in 1924, an increase of 84 publications. These publications were as follows: One annual report, 3 bulletins, 4 numbers of the Philippine Agricultural Review, 39 new circulars, 70 circulars republished, and 8 miscellaneous publications. The number of copies distributed was 59,002, as against 46,464 the previous year. Many of the circulars were printed not only in English and Spanish languages but also in dialects.

The compilation of both animal and crop statistics was seriously handicapped this year because the municipal presidents were unusually slower in submitting their reports. A number of them did not forward their reports until the executive bureau had their salaries suspended. A considerable portion of the regular reports were not received, in fact, until 6 to 10 months after they were due. The work was further delayed because many of the reports were found erroneous or otherwise defective and had to be returned to the corresponding municipal officials for correction.

BUREAU OF FORESTRY

GENERAL STATEMENT

The condition evident toward the end of the year was, as observed last year, an undercurrent of strain and discontent, due to the failure to provide in the appropriation for increase in salary in accordance with the schedule already approved by the Governor General and the director of civil service since 1920. With the handicap and strain under which this bureau has been operating during the past year, it is gratifying to acknowledge the loyalty, support, and effort of its personnel.

During the year, the lack of sufficient personnel to perform the bureau's duties and obligations imposed by law has been acutely felt. This state of affairs has been going on for a number of years; and while the bureau of forestry has been barely able to carry on its various activities, the time has now arrived that the matter be given proper consideration. Forest industries have developed enormously during the last six years; the demand for inspection and grading of lumber for shipments to the United States and other foreign ports has increased, 52,216,872 board feet having been exported during the year under review as against 50,746,864 board feet in 1924 and 36,949,576 board feet in 1923; the classification of public lands for the delimitation of areas more suitable for agriculture than for forestry purposes has become very urgent and pressing; the economic needs of the people for more agricultural lands in certain regions has demanded intensive reclassification of already declared forest lands and other forestry activities that have developed in connection with these works had to be solved. With the very limited personnel at its disposal the bureau of forestry can not perform its duties and obligations efficiently without going to the extent of overtaxing its men. By force of circumstances this is being done and it is the actual condition existing. The activities and work of the bureau are annually extended and increased to meet the demand of the people for the acquisition of public lands

and the development of the lumber industry. With these activities numerous forest problems which must be solved also develop. It is therefore urgent that the personnel of the bureau of forestry be increased proportionately in order that it can discharge its duties efficiently.

The following table show the revenues and expenditures of the bureau of forestry for the last five years:

Fiscal year	Revenues		Expenditures		Surplus	
	Total	Per capita	Total	Per capita	Total	Per capita
1921.....	P1, 013, 151	P0.092	P516, 422	P0.047	P496, 729	P0.045
1922.....	949, 280	.083	486, 847	.043	462, 433	.041
1923.....	1, 062, 437	.092	515, 211	.044	547, 225	.047
1924.....	1, 277, 799	.108	544, 045	.046	733, 754	.062
1925.....	1, 260, 369	.106	591, 220	.050	669, 149	.056

DIVISION OF FOREST MANAGEMENT

The principal function of this division is to correlate the activities of the various technical divisions, to formulate general plan of work for the proper administration of the public forests, and to conduct reconnaissance work and special projects, including the extension service.

The plan to make reconnaissance and detailed studies of the more important forests and to conduct more intensive land classification in already established timberlands for the purpose of excluding agricultural lands preparatory to intensive management has been started, in spite of the lack of organized personnel to handle it. As soon as the personnel problem has been solved the attention of the division will be concentrated to this phase of the bureau's activities.

Of the several reforestation projects started a few years ago only two were continued during the year, on account of the lack of personnel and of funds for the purpose. In the Talisay-Minglanilla reforestation projects there are now 35 hectares of successful forest plantations.

During the year, 2,052 liters of seeds of 20 different species were planted in the nursery, while 16,304 seedlings were set out in the plantations. In the Ilocos reforestation project there were 8,294 seedlings planted. Previous plantings of banaba and teak were reported successful. In both of these two projects the immediate need is an appropriation for the employment of nursery-men and for the hiring of men to improve the nurseries and plantations and to protect them during the dry season.

The compilation of forest statistics gathered by the district men has been continued during the year. At present up-to-date data on caingin, pasture, special-use permits, and licenses are available for use by the bureau of forestry in planning its activities. For purposes of management and administration, the archipelago has been divided into eight forest districts. There were two conferences of district foresters held during the year; the first took place in Manila and the other in Baguio. The main object was to coordinate the district foresters' work and to find solution to certain special problems confronting some of the districts or the bureau of forestry as a whole.

The annual reconnaissance of the division of investigation was held on the Mount Banaho and Mount San Cristobal forest reserve during the months of April and May. The work was done by the class of 1926 of the school of forestry in connection with their field work in engineering, II, and it covered an aggregate area of approximately 840 hectares. It is the plan to continue this work from year to year, and it is estimated that that portion occupied by Mount San Cristobal will be completed during 1926, while it will take three additional years to complete the portion occupied by Mount Banaho.

Due to the fact that the two rangers assigned to dendrology work spent most of their time on instruction work in the school of forestry, it has been impossible to do much research on this subject. Reports on previous botanical collections of this division show one new genus, *Sulitia longiflora*, and one new species, *Discocalyx polillensis*, Merr. (family Myrsinaceæ). The specimen of the former had been collected at Port Lebak, Cotabato, and that of the latter had been obtained from the island of Polillo, Tayabas.

DIVISION OF INVESTIGATION

Very little investigation work has been done on lumbering during the year, inasmuch as most of the large concessions are located a considerable distance from the school of forestry, and both personnel and funds were not available for long trips. A detail investigation of the lumber industry of the country should be made, and adequate funds and personnel should be provided for the purpose. Data are needed on methods of logging, milling, and selling. Cost and time studies are of special importance.

The charcoal work and the investigation of the possible uses of best fibers, their production and preparation, have been continued. Need of *Wickstroemia* sp., the best of which is used by the Japanese in the manufacture of bank-note paper, was obtained near Paete, Laguna, and a small planting is being made in order to obtain data on its growth and yield. As in dendrology, practically all work done in forest engineering was carried on in connection with the instruction given in the forestry school. Growth studies in the plantations were made as usual, and the preparation of the working plan for the Makiling Botanical Garden has been continued. Reforestation, as a project, was transferred to the division of forest management in the early part of the year, so that the reforestation work in the division of investigation is now confined to experimental and investigational work and the reforestation of the Makiling Botanical Garden and the Calamba estate addition. The inspection of durability specimens planted some 20 years ago (in 1905) was made in September, and some of the test specimens were found to be still in fair condition.

Forestry school.—Work was resumed on January 5 with 22 juniors and 22 seniors. In the degree course 4 students were taking the full work and 5 were carrying only part of the courses. The work in both the ranger and the degree courses, as well as the research work, is badly handicapped by lack of both space and personnel.

DIVISION OF FOREST LANDS AND MAPS

With a view to further improving the service, this division was readjusted at the latter part of the year by subdividing its functions into three main sections, namely, the forest lands section, the forest survey section, and the mapping and drafting section.

In addition to the 108 new classification projects originally planned to carry out during the year, there were received from governmental and private entities a total of 26 requests for land classification, as compared with 15 in the previous year. Like in the previous years, difficulties were met in carrying out the work due to the inadequacy of both personnel and funds. During the year, 208 projects, with a total area of 1,186,356.38 hectares, were completed and certified to the director of lands, as compared with 286 projects, with a total area of 1,485,353.11 hectares, in 1924. The decrease in the number of projects as well as in area classified and certified was due to the numerous projects held pending in the central office up to the end of the year because of the lack of personnel that could attend to the compilation of the sketches submitted by the field parties. The classification projects pending compilation and tracing at the end of the year numbered 219 as compared with 134 in 1924.

In connection with the classification of public lands into alienable or disposable under the public land act, timberland blocks are also established. There were established during the year 410 of these blocks, containing an area of 260,511.06 hectares, as compared with 207 blocks, with a total area of 280,645.19 hectares, in the preceding year. A detailed study will afterwards be made of these timberland blocks as fast as means will permit, and then they will be recommended for proclamation as permanent forest reserves, where an intensive forest management will be carried out, after they shall have been properly surveyed. There are now some 13 of these proposed forest reserves that are just awaiting the necessary survey.

During the year, 2,309 parcels of public lands covered by application for homestead, purchase, lease, and free patent, as compared with 3,862 parcels, in 1924, were classified and certified to the bureau of lands. Besides, there were 26 ordinary court cases of forest land registration, with a total area of 11,424.77 hectares, and 29 cadastral cases, with a total area of 62,977.37 hectares, inspected in 1925, while in 1924 there were 55 ordinary and 43 cadastral cases, covering 6,823.68 and 249,566.33 hectares, respectively.

Provisional and proper registration certificates for private woodland, covering an aggregate area of 4,386.1488 hectares, which is 11,446.9791 hectares less than that for 1924, have been issued during the year. The decrease was due to the fact that a considerable number of applications for registration have been disapproved because of lack of sufficient proofs of ownership. Private claims totaling 432 hectares have been declared administratively as a part of the public forests under section 1,820 of the Administrative Code, against a total area of 164 hectares in 1924.

Of the 1,220 claims challenged during the year, 64 cases were considered as coming within the provisions of section 1513 of the Administrative Code and section 8 (b) of administrative Order No. 42 of the bureau of internal revenue; 50 cases as settled, the land having been found upon examination to be either cultivated or within the alienable or disposable area; 116 cases pending inspection; 6 cases withdrawn; and 788 cases with final action held in abeyance pending submission of required proofs of ownership from claimants. This gives a total of 903 cases pending final action at the close of business on December 31, 1925. In many instances the claimants have gone as far as to include in their claims portions of the public forests and to declare the same for taxation purposes, believing that in so doing such forest lands become their private property. Effort is being made to curtail this practice.

At the request of several municipalities, there were established 112 parcels of communal forests in the year 1925, with an aggregate area of 14,934.8461 hectares, as compared with 153 parcels, with a total area of 18,352.08 hectares, established in the preceding year.

As to mapping and drafting work, there were taken by the forest districts and the land classification parties 17,351.27 kilometers of trail notes and 211.58 hectares of valuation surveys during the year as compared with 16,540 kilometers and 339.96 hectares of valuation surveys in 1924. A large number of land classification maps, maps used in courts, communal forest maps, a map of the Philippine Islands showing the different soil cover in their respective conventional colors, a map showing the progress of land classification since 1920, and other miscellaneous maps were completed during the year.

DIVISION OF SAWMILLS AND UTILIZATION

There have been marked activities in the logging and milling operations during the year. Considerable improvements on the existing plants have been made to meet the increasing demand for lumber. Active buying was noted in the later part of the year for future deliveries for both sawn lumber and logs as well as for veneer flitches. Lumber manufactured during the year amounted to 281,139,000 board feet, as compared with 260,535,600 board feet in 1924. The export increased to 52,216,872 board feet from 50,746,864 board feet in 1924. Ten new steam sawmills of the portable type were established and kept in operation in addition to the opening of four mills which were not operating in 1924.

The work in scaling, grading, and lumber inspection has greatly increased, necessitating the abandoning of some other work due to lack of personnel. A number of mills were allowed to operate without any government scalers. The same difficulties as found last year with regard to retaining temporary men were also met during 1925, due largely to low pay. Scalers trained by the bureau are readily taken by the lumbermen at a much higher pay.

Locally, the market was exceptionally strong during the year. Prices were higher than in 1924, especially so of construction materials of the first group timber such as ipil and yacal. This is due to the home-building boom. The local market absorbed a total of 152,800,000 board feet of lumber and timber, including 4,309,536 board feet of imported woods as compared with 141,367,298 board feet including 4,670,880 board feet of imported woods in 1924.

Heavy demands for export grades for foreign markets were likewise noted, with higher prices. This was particularly true for red lanau and tangle lumbers and for veneer flitches for American market. There was an active buying for future deliveries. The greatest increase in volume of shipment was shown for Australia, then the United States, and then China. There was a decrease of about 50 per cent in the export to Japan. This however, seems temporary, as buying for future deliveries was very active.

One of the important works undertaken this year was the classification of the accumulated data of timber trees of the islands preparatory to the revision of Bulletins Nos. 10 and 14 of the bureau. Timber testing work was also carried on. This will enable the bureau of forestry to get out compre-

hensive data on the physical properties of the most important Philippine woods. There has been no further work done on wood preservation due to lack of personnel, but checks had been made on the treated materials previously laid out in cooperation with the Atlantic, Gulf & Pacific Co. in several sugar centrals in Negros and Pampanga. These materials have been creosoted by various processes and their comparative durability under such treatments are being checked periodically.

Attempts were made to run definite schedules on seasoning lumber, particularly the apitong, but the result obtained was not sufficient to draw a definite conclusion in view of the lack of necessary equipment to properly carry out the work. In connection with the revision of Bulletins Nos. 10 and 14, a considerable number of photomicrographs of a magnification of 15 diameters, of Philippine woods have been completed.

The work of collecting and identifying wood specimens has been carried out. There were 308 specimens received for identification, including a few from abroad. The collection made during the year consisted of 261 wood specimens accompanied by botanical materials, 179 trade samples, and 277 botanical collections. There were distributed free of charge to local and foreign educational institutions and commercial entities a total of 3,748 specimens; and sold, 1,369.

DIVISION OF LICENSES

In spite of the prevalence of locusts, rinderpest, typhoon, and famine in certain parts of the islands, and of the unstable condition of the Japanese currency, a notable progress in the lumber industry was noted this year. Both small licensees and large timber operators have continued their operations throughout the year. Lumber demands for both local and export trades have been large, especially toward the last quarter of the year. The records show as cut and manifested during the year the amount of 870,456 cubic meters of timber, 283,005 cubic meters of firewood, and considerable quantities of minor forest products.

The inspection and patrol work carried on during the year has been productive of results. There have been detected 629 cases of violations by licensees, 1,497 cases of violations by nonlicensees, involving a total of ₱41,204.10 in regular and additional forest charges. This year, 1,762 illegal caingins—just 9 more than in 1924—covering an aggregate area of 1,391.29 hectares and causing a forest destruction of 79,942.11 cubic meters, with forest charges amounting to ₱126,151.09, have been detected. There have been inspected during the year 958 ordinary timber licenses and 123 ordinary minor forest products licenses, and the reports on 855 of former and 108 of the latter have already been received.

During the year there were issued a total of 7,712 licenses as against 6,826 granted in 1924. Of the former, 2,041 were ordinary timber licenses; 3,004 ordinary minor product licenses; 16 special licenses; 116 public gratuitous licenses; 28 miners' gratuitous licenses, and 2,507 private gratuitous licenses. During the year, license bond deposits amounting to ₱15,980.83 were forfeited, and ₱11,799.89 were refunded.

The free use provisions of the forest law which permitted residents of a place for which communal forest have not been set aside to take timber of the second or lower groups and other minor forest products for personal use without license and without charge expired on the 25th day of October of this year. This privilege was, however, extended until October 25, 1930, by Act No. 3225, passed by the Philippine Legislature and approved on November 2, 1925.

The leasing of forest land for special uses under section 1830 of the Administrative Code is fast coming to be one of the permanent sources of revenue for the government, as will be seen from the following table:

Year	Number of applications received	Number of leases or permits issued	Total amount of rentals	Year	Number of applications received	Number of leases or permits issued	Total amount of rentals
1919-----		3	₱104.50	1924-----	3,117	2,144	₱14,626.52
1920-----		27	355.60	1925-----	4,715	5,505	25,808.80
1921-----	1,742	83	435.96	Total-----	9,792	8,318	51,964.63
1922-----	297	228	4,117.23				
1923-----	921	328	6,516.02				

¹ For 1919-1921.

Of the 5,505 special permits and leases granted this year, 4,118 were for residence, 840 for pastures, 443 for fishponds and saltworks and 104 for saw-mill sites and various other special uses.

There were 2,386 applications for mining permits received this year, as compared with 2,632 for the preceding year, and the clearings made were 3,714.50 and 4,697.53 hectares, respectively—a decrease of 983.03 hectares.

BUREAU OF LANDS

General statement.—As a whole it may be stated that the year under review has been one of marked progress for the bureau of lands as compared with the year 1924. More public land applications were approved, a larger number of patents were issued, and a far greater number of claims and conflicts were determined during the year than in any previous one. Isolated surveys and cadastral surveys exceeded those of 1924 by 21 per cent and 70 per cent, respectively, and the courts of justice came through with the remarkable increase of 513 per cent in the number of cases decreed over that for 1924.

Changes in organization.—Several important changes in the organization plan of the bureau were effected during the year. The division of surveys was thoroughly overhauled and reorganized. More appropriate designations were given to the resulting sections, and the distribution of work was systematized and expedited. The administrative division was relieved of the supervision over the cashier and disbursing officer by the transfer of the cash section to the accounting and property division, but all statistical work of the bureau was concentrated in the former division. Upon the completion of the Iba cadastral project, the district land office covering Zambales was abolished and the Province included in land district No. 10. At the same time, the Province of Antique was made an independent district land office, and the Province of Palawan, which formerly was under the supervision of the division inspector at Iloilo, was assigned to the chief inspector, with headquarters in Manila, because of better means of communication. The private land surveyors' committee was converted into a private land surveyors' board and given powers of conducting the examinations for qualification as private land surveyors as well as general authority to supervise the private practice of the surveying profession. The surveying school, which for years had been conducted in connection with the insular high schools, was definitely transferred to the University of the Philippines, thereby broadening its course and enhancing its usefulness.

Changes in procedure and practice.—In order to encourage isolated public land surveys by deputy public land surveyors their bond was reduced from ₱2,000 to ₱1,000 and a personal guaranty accepted. At the same time official surveys of private lands were discouraged, except in cases of relocation, as these relocation surveys serve as an official check upon the work of private land surveyors. The issuance of cadastral survey orders was also systematized, and the requirements prescribed by law as to publication and otherwise were strictly followed. A more adequate procedure for appeals from the decisions of the director of lands to the secretary of agriculture and natural resources for the purpose of safeguarding the interests of ignorant parties was adopted. Verification by actual count of the equipment and supplies of this office was ordered every month as a means of keeping track of Government property. And in order to disseminate public information on the functions, duties, and work of the bureau, as well as to give wider publicity to the regulations governing the disposition of the public domain, a fortnightly publication entitled "The Lands Courier" was authorized, successfully printed, and regularly distributed.

Amendments to the public land law.—Act No. 3219, which was passed by the legislature in 1924, was finally approved by the President of the United States and became effective in February, 1925. This new law provides for a more speedy and adequate disposition of the public domain by permitting additional homesteads that are not necessarily contiguous to the lands originally applied for; dispensing with the publication in the newspapers of notices of sale where the value of the land applied for is less than ₱240; extending the period for payment on public land sales from 5 to 10 years; reducing the interest charge on deferred payments from 6 per cent to 4 per cent and forbidding the imposition of compound interest; facilitating the establishment of

town sites; making the lease period practically 50 years instead of 25, by making the first renewal for 25 years optional on the part of the applicant; requiring that leases be awarded through public bids as in the case of sales; providing for a definite basis for the imposition of the land-tax by making the assessments made by the director of lands the basis for the tax until after patent is issued to the applicant; and authorizing the reservation of public lands for communal pastures, public parks, public forests, public fishing grounds, and other public purposes of a similar nature. This law also provides that purchasers and lessees of public land shall put under cultivation at least one-third of the area applied for within five years after entry thereon has been allowed.

Sectional cadastral survey act.—What may be termed as sectional cadastral surveys were likewise authorized during the year by the passage of Act No. 3240, which provides that small cadastres of 100 lots or more may be undertaken by private land surveyors. It is believed that this law will help in expediting the survey work of the country.

Triangulation work.—In connection with these small cadastres, negotiations with the bureau of coast and geodetic survey were started during the year for the establishment of permanent location monuments to which all future land surveys in the Philippines may be tied. The arrangements contemplate the furnishing by the bureau of coast and geodetic survey of chiefs of parties thoroughly trained in triangulation work, the bureau of lands to give the necessary assistants and laborers. This plan will afford a limited number of the latter bureau's surveyors the opportunity to undertake and learn the most up-to-date triangulation methods as practiced and adopted by the United States Coast and Geodetic Survey, without the necessity of sending them abroad as pensionados of the government.

Cadastral collections.—The bureau's cadastral collections have not been as satisfactory as they should be. However, there have been enough returns to keep up the work to the standard of previous years. The policy of requesting Provinces to advance their share of the cadastral expenses was vigorously prosecuted and several cadastral projects were financed in this manner during the year.

Land and other important administrative policies.—For the purpose of taking action on the great number of applications that have been filed and recorded in the bureau during the previous years on classified areas which had not yet been declared open to disposition, it was recommended to the Governor General that all lands covered by applications received and recorded in the bureau up to December 31, 1924, were declared open to entry, and a proclamation was issued by his excellency accordingly. This policy will continue to be followed. At the same time a new method of opening the public domain to disposition by the issuance of individual proclamations covering the municipalities that have already been classified as fast as they are certified to the bureau of lands by the bureau of forestry was adopted. Strict adherence to the general principles laid down by the public land laws was vigilantly kept by the bureau during the year. Beneficial use of the land as enunciated in section 90 of the public land law was greatly emphasized and steps were taken to examine the financial and other possibilities of public land applicants for development of the land applied for. Applications designed to hoard portions of the public domain for purposes of speculation were minutely scrutinized and plans started to compel applicants to begin development work within a reasonable time after the filing of the application as an earnest of good faith, plans which it is hoped will be more vigorously prosecuted during the coming year. Combinations to acquire extensive areas in violation of the restrictions imposed by the public land laws were carefully guarded against and the great Cotabato Central project organized for the purpose of controlling some 30,000 hectares of public land through the leaguings of 30 individual applicants was definitely thrown out.

Preference in the survey work was given to places where there had been persistent disputes between private claimants and public land applicants for the purpose of settling these disputes once for all through the institution of cadastral and compulsory registration proceedings. A more liberal attitude was adopted in connection with land registration cases. It was formerly the policy of the bureau to systematically oppose the registration of private claims. This has ceased to be the case, and only where after investigation the land applied for registration is found to be really public land or to be occupied by public land claimants and applicants who derive rights or possession or other-

wise from the government is there entered opposition on the part of the government, which is as vigorously prosecuted as the personnel and resources of the bureau of lands and the bureau of justice permit. In case of small land claims, the bureau has been even more liberal, practically making no effort to oppose registration, especially where the areas involved are within the limitations prescribed for homestead or free patent, as the result of a judicial declaration of public land of a small area already occupied by a qualified entryman merely duplicates the work of the government by encouraging two different proceedings—one judicial and the other administrative—and as between the two, the judicial confirmation of title is to be preferred.

Reservations.—An examination of the lighthouse sites and other areas known as insular government reservations revealed the fact that a great many of them had not been duly reserved. A systematic campaign for the reservation and more adequate administration of these government properties was therefore inaugurated, thereby preventing possible encroachments thereon. At the same time a general campaign for the cancellation of the titles of those who have lands within the Baguio town site without improving them was started and is still being carried on, the aim being to see to it that every piece of land granted to a private individual is properly utilized for the benefit of the individual himself and of the government and the public as well.

During the year two important reservations were made of Philippine public lands for Federal purposes. The first and larger of the two is the extension of the Mariveles military reservation so as to include practically two-fifths of the entire area of the Province of Bataan. This brought up immediately the question of private rights within the reservation and disposition of the great number of public-land applications that had been filed prior to the date of reservation as well as the determination of the extent of these private rights and public-land applications by means of an accurate cadastral survey and institution of the necessary compulsory registration proceedings as required by the public land law. The matter of private rights and disposition of the public-land applications was satisfactorily adjusted through the readiness with which the military authorities recognized the validity of said property rights and their acquiescence in the taking of further action on the public-land applications, but the question of surveying the reservation under cadastral method has not yet been finally determined, as no agreement has been reached as yet concerning the expense of undertaking the said survey. The other federal reservation withdraws from disposition by the government of the Philippine Islands some 300 hectares of our public lands located in the Province of Zambales and containing chromite deposits which, it is stated, may in the future be required for the public purposes of the United States. The order reserving this land, however, makes no mention of the governmental unit entrusted with the administration thereof, for which reason it has been recommended that the same be temporarily placed under the custody of the director of lands, like all other public mineral lands, until some other agency is designated to take charge of the said reservation.

Forfeited lands.—Efforts were made throughout the year to dispose as speedily as possible of the lands forfeited for nonpayment of taxes that have accumulated in the hands of the insular government for the last 20 years. The repurchase of these lands by their original claimants was greatly facilitated through the authorization given deputy provincial treasurers to administer oaths in connection with repurchase applications. Provincial treasurers were, moreover, authorized to make immediate delivery of these lands to the original claimants upon payment of the delinquent taxes, even before the repurchase is formally authorized by the director of lands. Arrangements were likewise made for the sale at auction of such of these forfeited lands as are not repurchased by their original owners within a reasonable time, and measures intended to hasten this sale will be adopted during the coming year.

Publications.—In view of the widespread interest in guano deposits for the manufacture of fertilizers, the bureau issued during the year a bulletin containing instructions regarding the acquisition or concession of guano claims.

For the first time in the history of the bureau, the north polar distances of the sun, ordinarily issued by the office in blue-print form, were embodied in a suitable pamphlet for the year 1926 and printed and distributed to all surveyors and others needing this information in their work.

Irrigation charges.—The insular government has been appropriating every year large sums of money for the maintenance, repair, and upkeep of the irrigation systems in the friar lands estates for the benefit of the tenants therein.

In order to provide a gradual method whereby the said tenants may take these systems over from the government, as must eventually be done when the final payments on the land shall have been made, a definite schedule of irrigation charges was adopted, with a proviso that in those estates where the tenants are willing to pay for the transportation of materials and labor required for the repair of these systems, such transportation and labor will be accepted in lieu of the irrigation charges. The working out of this plan has naturally met with stiff opposition on the part of the people accustomed to getting everything free, but it is believed that these same people will eventually realize the necessity of their gradually assuming responsibilities for the upkeep of these irrigation systems, as the time is fast approaching when the government will have to deliver these systems over to them.

Office space.—Arrangements have been made with the bureau of constabulary for the transfer to the bureau of lands of a portion of the constabulary bodega sufficient to house the entire property section of the bureau of lands. In this way considerably more space will be made available for the bureau's records. The Philippine Legislature has also granted the bureau funds to begin remodeling all of its vaults and other rooms where records are kept so as to make them partly fireproof.

Donation.—The late Father Gregorio Crisostomo, in his will, donated to the government various real properties, situated mostly at Cabanatuan, Nueva Ecija, on the condition that the income to be derived from the said properties be used for charitable purposes, such as the building of a provincial hospital at Cabanatuan, as soon as the amount of collection is sufficient to cover the necessary expenses. During the year the amount of ₱970.94 has been collected from the tenants of the said properties.

PERSONNEL, APPROPRIATION, AND INCOME

Standardization of survey parties.—Every effort was made to provide the cadastral survey parties with a standard number of surveyors and subordinate personnel, as experience has demonstrated that only where there is a well-balanced party are the results most satisfactory. It is sad to relate, however, that owing to lack of funds the bureau had to take somewhat drastic action along the lines of wage reduction of the temporary and labor personnel.

Systematization of per diem.—During the year a more uniform schedule of per diems was prescribed, giving slightly larger rates to heads of parties as against their assistants and suppressing altogether the subsistence and per diem allowances of the labor personnel. About the middle of the year, however, it was found necessary to suspend part of the subsistence and per diem allowances even of the classified personnel in order to avoid a possible overdraft.

Appropriation and income.—Compared with 1924, the 1925 total appropriation of the bureau of lands was ₱9,891.02 smaller, and the actual expenditures are ₱8,024.94 less. On the other hand, an increase of ₱321,818.18 was registered in the receipts, the total receipts for the year being ₱755,291.15, as against only ₱433,472.97 for 1924, as will be seen from the following table:

Fiscal year	Total receipts	Receipts per capita	Total expenditures	Expenditures per capita
1921-----	₱1,064,704.77	₱0.0964189	₱1,526,377.41	₱0.138224
1922-----	676,042.82	.0598455	1,432,597.10	.1268181
1923-----	495,833.57	.0429068	1,556,752.75	.1347104
1924-----	433,472.97	.03685906	1,418,817.53	.12036717
1925-----	755,291.15	.06374894	1,410,792.59	.11907534

Executive proclamations.—Fifty-eight proclamations issued by the Governor General during the year affect the bureau of lands. These proclamations were, of course, given publicity through the Official Gazette, and an index thereto was published in several issues of the Lands Courier.

Administrative orders.—Five administrative orders were issued during the year. These orders are as follows:

No. 1. Amendment to section 6 of Administrative Orders, No. 2, series of 1923, entitled "Friar lands irrigation regulations."

No. 2. Preparation of tracings of surveys by private land surveyors.

No. 3. Bond of deputy public land, deputy cadastral land, and deputy mineral land surveyors.

No. 4. Amendment to section 42 of the friar lands administration regulations, dated September 18, 1914.

No. 5. Procedure of filing appeals.

Circulars, bulletins, memorandum orders, and office circulars.—During the year the bureau of lands issued also 21 circulars, 9 bulletins, 35 memorandum orders, and 12 office circulars.

Public-land concessions

HOMESTEADS

Year	Applications received		Entries		Patents issued	
	Number	Area, in hectares	Number	Area, in hectares	Number	Area, in hectares
1923.....	7,535	124,045.2214	1,004	14,741.3197	1,224	13,391.7893
1924.....	7,093	109,753.8483	1,801	27,620.2214	974	11,924.4717
1925.....	8,105	129,057.5590	2,526	37,087.7104	1,727	18,352.9603

FREE PATENTS

Year	Applications received		Patents issued	
	Number	Area, in hectares	Number	Area, in hectares
1923.....	6,936	35,237.4535	476	2,096.8507
1924.....	3,995	16,353.0631	335	966.2733
1925.....	3,461	11,614.6647	554	2,217.1135

SALES (AGRICULTURAL LANDS)

1923.....	452	15,333.7842	29	2,772.6362
1924.....	419	13,987.8279	29	2,856.2562
1925.....	445	17,311.5325	41	2,101.0402

SALES (NONAGRICULTURAL LANDS)

Year	Miscellaneous		Insular government property		Town sites	
	Number	Area, in square meters	Number	Area, in square meters	Number	Area, in square meters
1923.....	467	4,656,695.07	141	1,136,078.53	-----	-----
1924.....	208	428,040.35	89	9,324,870.00	47	130,500.00
1925.....	128	4,207,499.29	42	1,620,479.00	22	135,915.98

LEASES (AGRICULTURAL LANDS)

Year	Applications received		Awards made	
	Number	Area, in hectares	Number	Area, in hectares
1923.....	151	25,019.2380	5	654.1786
1924.....	115	23,041.1418	9	4,163.3536
1925.....	125	31,183.1742	10	6,455.8395

LEASES (NONAGRICULTURAL LANDS)

Year	Applications							
	Miscellaneous		Insular government property		Foresore		Reclaimed lands	
	Number	Area, in square meters	Number	Area, in square meters	Number	Area, in square meters	Number	Area, in square meters
1923-----	49	744, 335. 00	15	-----	57	-----	1	-----
1924-----	67	695, 686. 00	15	-----	50	-----	1	-----
1925-----	42	267, 714. 45	5	-----	79	-----	3	-----

Revocable permits.—There were received in the bureau during the year 1925, 332 applications for revocable permits, and 159 thereof were approved, as against 220 applications received and 32 approved during the preceding year.

MINERAL LANDS CONCESSIONS

Mining locations.—During the year covered by this report 227 mining claims were located in 25 Provinces. The Mountain Province leads, with 75 claims, totaling 661.65 hectares. In the Aroroy mineral district of Masbate, 37 lode claims were staked, which, together with other 5 placer claims, makes a total of 42 mining claims located in that Province. The Province of Batangas ranks third in the number of claims staked during the year, it having 25 mining locations to its credit.

The minerals for which the above reported claims have been located are gold, guano, gypsum, ochre, gold-silver, iron, copper, stone, kaolin, and other substances for mineral paints. Out of the 227 locations, 121 were located for gold, situated mostly in Mountain Province and Masbate. Guano, with 59 claims, ranks second; and gypsum, with 18 claims, all located in the Province of Batangas, third. The following comparative table shows by year the number of locations made since 1921:

1921-----	157	1924-----	187
1922-----	295	1925-----	227
1923-----	327		

Adding the above figures to the number of locations made prior to 1921, there is a grand total of 12,934 locations made since the passage of the act of Congress of July 1, 1902. The actual number of locations, however, which are at present held by locators is less than this total for the reason that most locations are either abandoned or allowed to lapse by failure to perform the annual assessment work required by law. In many instances, too, the same piece of land is relocated under a different name by the original locator or by an adverse locator.

Lode and placer patents.—The following comparative table shows the number and area of the lode claims patented since 1921:

Year	Number of patents	Area, in hectares	Year	Number of patents	Area, in hectares
1921-----	3	16. 4125	1924-----	2	18. 0000
1922-----	9	65. 3691	1925-----	3	27. 0000
1923-----	2	9. 2909			

No placer patent was issued during the year nor was any new application for placer patent received.

Coal patents, permits, and leases.—No coal patents have been issued under Act No. 1128 ever since this act was repealed by Act No. 2719 of May 14, 1917. Instead of coal patents under the freehold system, coal leases and coal revocable permits are being issued under the leasehold system provided for by Act

No. 2719. There had been 11 coal patents in all issued under Act No. 1128 of April 28, 1904, 3 of which reverted to the government in 1913, leaving a total number of 8 coal patents, covering an area of 338 hectares.

Of the 21 applications for coal revocable permits pending action on January 1 and 8 others received during the year, 11, with an aggregate area of 44 hectares, were canceled for lack of interest on the part of the applicants, while permits for 10 others, covering a total area of 35 hectares, were granted. This leaves 9 applications pending action at the close of the year. Twelve of the permits previously granted were canceled during the year.

As to coal leases, not a single new application was received during the year, and of the 9 applications pending on January 1, 4 were finally canceled, due to apparent lack of interest on the part of the applicants. A total of 36 coal lease applications have been received since the enactment of Act No. 2719, in 1917, and of this number 24 have been canceled and 7 granted the corresponding leases, covering a total area of 4,251.5063 hectares. One of these leases, with an area of 1,120 hectares, was canceled in 1924.

Petroleum leases.—The following comparative tables show the number and area of geological exploration leases and of drilling leases applied for and granted, as well as those canceled, during the last five years:

Geological exploration leases

Year	Applications				Leases			
	Received		Canceled		Granted		Canceled	
	Number	Hectares	Number	Hectares	Number	Hectares	Number	Hectares
1922.....	14	246, 000	5	91, 200	8	107, 000	2	12, 000
1923.....	1	3, 600	1	48, 000	1	3, 600	1	10, 800
1924.....	2	8, 900	-----	-----	2	8, 900	2	21, 600
1925.....	-----	-----	-----	-----	-----	-----	4	39, 100

No applications in 1921.

Drilling leases

Year	Applications				Leases			
	Received		Canceled		Granted		Canceled	
	Number	Hectares	Number	Hectares	Number	Hectares	Number	Hectares
1921.....	37	30, 012. 5751	-----	-----	21	17, 577. 5751	-----	-----
1922.....	29	31, 658. 0000	4	4, 460. 0000	21	22, 558. 0000	7	6, 304. 0000
1923.....	13	14, 356. 0000	17	12, 753. 0000	11	12, 700. 0000	17	18, 278. 0000
1924.....	-----	-----	-----	-----	5	5, 978. 0000	32	35, 835. 3851

No application in 1925.

Mining concessions.—Prior to the enactment of the act of Congress of July 1, 1902, mineral lands were granted by mining concession or pertinencias under the provisions of the royal decree of May 14, 1867, of the Spanish Government. The mineral lands granted under the said decree aggregate a total of 19,986.8679 hectares, consisting of 481 first-class concessions, with a total area of 3,963.8930 hectares; 109 second-class concessions, of 1,094.8134 hectares, and 1,615 third-class concessions, of 14,928.8134 hectares. The lands under the first-class concession are those mineral lands for which valid perfected concessions had been granted prior to April 11, 1899. Although titles of ownership had already been granted to these mineral lands, they are still subject to the conditions of the concession and they should be held and worked in conformity with the decree and regulations as set forth in the grant. Concessions of the second and third classes have reverted to the public domain after the enactment of the act of Congress of July 1, 1902, as these concessions had not been perfected prior to April 11, 1899.

In brief, the mineral patents, permits, and leases in force as of December 31, 1925, are:

	Number	Area, in hectares
1. Lode patents.....	114	876.9735
2. Placer patents.....	18	376.4226
3. Coal patents.....	8	338.0000
4. Coal revocable permits.....	63	1,435.7612
5. Coal leases.....	6	3,131.5063
6. Geological exploration leases.....	2	3,600.0000
7. Petroleum drilling leases.....	5	1,984.0000
8. First-class concessions.....	481	3,963.8930
Total.....	697	15,706.5566

Surveys of mineral lands.—The following tables show the number of claims and areas of mineral lands surveyed since the organization of the mineral lands division of this bureau in 1921:

Surveys	Number of surveyed claims or leases					Area, in hectares				
	1921	1922	1923	1924	1925	1921	1922	1923	1924	1925
Location.....		80	53	104	19		720.0000	477.0000	1,250.0000	173.0000
Lode.....	8	8		4	8	56.3687	58.0749		36.0000	68.9995
Placer.....			7					384.0000		
Coal leases.....	3	1	2	2		1,745.3388		400.0000	721.1406	1,451.0000
Petroleum leases.....		3	4				3,587.8140	1,585.0556		
Total.....	11	91	65	110	29	1,801.7075	4,365.8889	2,846.0556	2,007.1406	692.9995

¹ Approximate.

Lode and placer surveys are executed and used as basis in granting patents; coal and petroleum lease surveys, in granting coal and petroleum leases under Acts Nos. 2719 and 2932 of the Philippine Legislature; and location surveys are made for the purpose of establishing on the ground the location and discovery posts and the corners of lode and placer claims.

Investigation and inspection of mineral lands.—During the year the following work of investigation was accomplished:

Cases disposed of.....	11
Conflicts investigated with reports of investigation received but final decision still pending.....	2
Investigations of claims, protests, and conflicts ordered but no reports of investigation received.....	5
Preliminary investigations of coal revocable permits applications ordered but no reports received.....	4
And of inspection work, the following:	
Inspection to verify compliance with requirements of law and regulations regarding annual assessment and development work and other requisites.....	27
Inspection to examine quantity and quality of minerals.....	3
Inspection to determine if claims are abandoned and open to relocation.....	11
Preliminary investigations.....	14

Mining enterprises.—The work of keeping track of the mining enterprises, in pursuance of the policy of guarding, as much as possible under the circumstances, against illegal combination and control of mining interests by corporations and associations, in violation of the provisions of the existing mining laws with regard to the limitation of their powers, citizenship, maximum area, number of holdings that can be acquired, etc., has been kept up during the

year. The following are the mining corporations organized during 1925 in accordance with Act No. 1459, the corporation act:

Names	Central office	Capital stock	Stock subscribed	Stock paid
Dalaguete Coal Mines (Inc.).....	Cebu, Cebu.....	P2,000.00	P2,000.00	P500.00
Maks Coal Mining Co.....	Nagu, Camarines Sur.....	70,000.00	21,300.00	21,300.00
Metals Manufacturers (Inc.).....	11 Pinpin, Manila.....	50,000.00	10,000.00	5,000.00
Paniqui Mines.....	Aroroy, Masbate.....	96,030.00	96,030.00	96,030.00
Punta Bugui Development Co.....	Punta Bugui, Masbate.....	1,000.00	200.00	50.00

Mineral-land maps.—The work on the provincial land maps started in 1924 was continued during 1925. Besides, maps for coal leases and lode patent surveys completed during the year have also been prepared, and work was begun on the Paracale-Malaguit gold placer basin.

Recording of instruments pertaining to mining claims.—During the year 1925, there were received for registration 622 instruments pertaining to mining claims as compared with 579 instruments recorded during the year 1924, thus showing an increase of 43 instruments recorded. The instruments recorded during the year consist of 227 declarations of locations and affidavits, 321 affidavits of annual assessment work, 38 deeds of transfers of mining claims, 12 powers of attorneys, 10 leases of mining claims, 1 deed of abandonment, and 11 miscellaneous.

LAND SURVEYS

Isolated land surveys.—The survey of public lands constitutes by far the greater portion (86.5 per cent in 1925) of the isolated surveys done by the bureau of lands, while private land surveyors are allowed to do most (86 per cent in 1925) of the isolated surveys of private lands. This is pursuant to the policy of not undertaking private land surveys officially whenever there are private land surveyors willing to undertake same. This arrangement is beneficial both to the government and the surveying profession, as well as to the public, inasmuch as the bureau of lands can never have enough surveyors to attend to all requests for surveys.

The total number of surveys finally completed during the year 1925 is greater than during the year 1924, as shown by the following data:

Land surveys	1924			1925		
	Number of surveys	Number of parcels	Area, in hectares	Number of surveys	Number of parcels	Area, in hectares
Private lands:						
Surveyed by private land surveyors.....	4,853	12,775	44,862.97	4,515	12,317	68,413.22
Surveyed by public land surveyors.....	104	268	4,163.14	195	438	2,264.93
Public lands.....	2,782	3,174	32,038.70	3,337	3,919	41,609.72
Miscellaneous.....	725	37	278.45	806	122	485.63
Total.....	8,464	16,254	81,343.26	8,853	16,796	112,773.50

Three hundred and eighty-nine more surveys, consisting of 542 parcels with a total area of 31,430.24 hectares, have therefore been completed during the year than in 1924. This brings the total of lots of isolated and miscellaneous land surveys completed since 1905 to 229,705, equivalent to 2,493,651 hectares in area. Of the surveys made during the year under review, the survey cost for 8,583 lots, amounting to P189,274.80, are not reimbursable to the government. Over P164,000 of this amount were homestead and free patent surveys.

Cadastral land surveys.—The field work on 12 projects, involving 38,125 lots, with an aggregate area of 132,421 hectares, was entirely completed and the survey returns received in the Manila office during the year. These are 14,283 lots and 58,610 hectares more than those completed in 1924. Ten new projects, covering 74,969 lots and a total area of 106,819 hectares, were inaugurated,

and on December 31 there were in progress in the field the following cadastral projects:

Authority	Number of projects	Number of lots	Area, in hectares
Under Act No. 2259.....	25	107,044	366,770
Under sec. 50, Act No. 2874.....	3	6,980	45,300
Under Act No. 2989.....	4	25,200	38,800

The total cost of cadastral land surveys from the beginning up to and including December 31, 1925, is as follows:

In progress, Bureau of Lands:

(a) In the field..... ₱966,219.15

(b) In the Manila office..... 171,944.69

Total in the bureau of lands..... ₱1,168,163.84

In progress, courts of first instance:

(c) Filed in Court..... 4,296,723.00

(d) Costs certified..... 1,778,239.04

Total in the courts..... 6,074,962.04

Total in progress..... 7,243,125.88

Finally decreed:

(e) Costs distributed..... 1,661,526.49

Grand total..... 8,904,652.37

During the year, 43 cases—37 under Act No. 2259, 3 under Act No. 2874, and 3 under Act No. 2989—consisting of 29,175 lots and 126,850 hectares, were filed in various courts, and there were 72 decisions made during the same period covering 78,700 lots, with an aggregate area of 228,057 hectares. Since the year 1910, when the first cadastral cases were filed in court, up to and including December 31, 1925, a total of 316 cases have been decreed consisting of 248,909 lots and 925,905 hectares.

Administrative settlement of land conflicts.—As in previous years, protests have been received from parties who considered their rights affected by the filing by others of applications for lands alleged by the former to be of their private ownership. Complaints were also received against supposed illegal acts of public land applicants. In such cases, provided the protests or complaints were filed in due form, orders of investigation were invariably issued with a view to ascertaining the truth of said charges. There was a total of 789 orders of investigation issued during the year, as against 436 for the year 1924. The bureau of lands decided not less than 1,738 administrative land cases in 1925, as compared with 1,081 decisions rendered during the preceding year, and there were only 352 cases pending action at the close of the year under review, as against 1,005 cases awaiting disposition at the end of 1924. Only a relatively small number of appeals from the decisions of the bureau of lands have been received in the department.

Legal work.—Briefly the legal work accomplished during the year as compared with that for 1924 may be summarized as follows:

	1925	1924
Number of opinions on legal queries.....	40.	46.
Number of petitions prepared for filing by the attorney general on cadastral cases under Acts Nos. 2711 and 2259.	43, comprising 29,175 lots, covering 126,850 hectares.	45, comprising 36,391 lots, covering 118,729 hectares.
Number of petitions prepared and filed for compulsory registration proceedings under secs. 50 and 85 of Act No. 2874.	32, consisting of 581 lots, 4,642 hectares, in 17 Provinces.	43, consisting of 12,024 lots, 81,708 hectares, in 21 Provinces.
Number of applications for the registration of lands or the judicial confirmation of land titles received from courts of first instance and examined.	1,322, involving 24,380 hectares.	1,065, involving 24,884 hectares.
Number of applications received from the courts of first instance and examined for the confirmation of incomplete titles.	80, covering 1,045 hectares..	
Number of Government claims or oppositions filed in courts of first instance in registration proceedings.	74, consisting of 2,417 lots, 28,196 hectares.	94, consisting of 8,810 lots, 106,105 hectares.

Besides, the special attorneys of the bureau appeared in court during the year in representation of the director of lands in 193 proceedings, consisting of 87 ordinary registration cases, 14 cadastral, 49 civil, 2 criminal, and 41 miscellaneous cases.

Reservations.—Under the provisions of sections 69 and 81 of Chapter XII of the public land laws as amended by Act No. 3219, in connection with section 64 of the Revised Administrative Code of 1917, 148 parcels of land were reserved in 1925 for various purposes. Preliminary action was also taken on 70 proposed reservations involving 204 parcels of land, as against 56 proposed reservations involving 130 parcels in 1924.

FRIAR LANDS ESTATES

Sales.—The lands sold from the friar lands estates during the year 1925 involve a total of 168 lots having an aggregate area of 1,540.3378 hectares and valued at ₱113,039, against 380 lots, with a total area of only 775.6712 hectares, valued at ₱94,978, during 1925. In addition, there were approved during the year under review 61 renewals of sales contracts covering 83,7019 hectares. On the other hand, 38 sales contracts covering 1,979.6651 hectares and valued at ₱104,703 have been canceled. The following are comparative statements showing the lands fully paid for by buyers, those for which deeds of conveyance have been issued, and the collections made during the past five years:

Lands fully paid for by the purchasers

Years	Number of lots	Area, in hectares	Value
1921	1,889	1,646.7531	₱260,050.38
1922	1,082	665.4438	130,719.52
1923	884	459.1841	98,834.44
1924	935	733.8024	153,258.60
1925	909	874.3862	171,166.70

Lands for which deeds of conveyance have been issued

Year	Number of deeds	Number of lots	Area, in hectares	Value
1921	2,061	2,095	793.8565	₱177,606.87
1922	1,109	1,161	681.6257	120,822.64
1923	847	860	378.9032	91,359.62
1924	1,249	1,270	695.7281	158,879.28
1925	1,062	1,070	857.6206	153,076.03

Collections

Total for fiscal year	Rents	Sales	Interest	Irrigation	Miscellaneous	Total
1921	₱55.00	₱654,508.64	₱287,097.06	-----	₱3,343.64	₱945,004.34
1922	110.00	755,842.32	271,624.41	-----	3,870.98	1,031,447.71
1923	-----	680,886.01	230,436.39	-----	3,905.98	915,228.30
1924	-----	740,815.56	237,360.35	-----	5,205.40	983,882.31
1925	-----	732,638.07	218,639.02	₱2,502.01	3,437.02	957,217.12

In the enforcement of the collection of overdue installments and interest there were filed during the year 42 civil cases in municipal courts, in addition to the 77 cases pending trial at the beginning of the year. Eleven of the cases were settled by compromise, so that at the end of the year there were pending 108 cases, involving the total of ₱24,556.01.

The disposition of the friar lands as of December 31, 1925, is summarized in the following table:

	Number of lots	Area, in hectares	Value
Total of lands sold the sales value of which have been completely paid in full.....	21, 221	16, 258. 7869	P2, 310, 077. 46
Total of lands sold under the installment plan, the values of which are not yet fully paid.....	27, 623	116, 679. 8890	16, 730, 313. 76
Total of lands remaining vacant and undisposed of.....	2, 038	15, 372. 3350	1, 767, 532. 00
Total of lands technically vacant, but temporarily reserved for the bureaus of agriculture and forestry.....	400	5, 403. 7867	140, 121. 00
Grand total, distributed among 23 estates.....	51, 282	153, 714. 7976	20, 948, 044. 22

Irrigation.—The irrigation systems on the friar land estates constitute one of the principal fixed assets of the government, and their proper maintenance and repair are, therefore, of paramount importance, as they greatly contribute to the productiveness of the soil. As in former years, the bureau introduced during 1925 considerable improvements in the systems in order to increase their carrying capacity and thus encourage greater cultivation and production among the tenants. The administration, however, encountered several difficulties due to lack of personnel, particularly during the drought which was felt during the last quarter of the year.

Due to the general protest of the friar lands tenants to the enforcement of water charges as provided for in section 6 of the irrigation regulations, otherwise known as Administrative Order No. 2, it has been decided to amend same and restore the old practice whereby this office may require, in lieu of annual tax or assessment, such reasonable gratuitous labor which shall be proportioned to the benefits received by the tenants as may be deemed necessary for the maintenance of the irrigation systems.

Roads and bridges.—Due to lack of funds, many of the important public-works projects in the friar lands estates have been suspended and the inauguration of new projects postponed.

Friar lands investment fund.—The following is a detailed statement of the friar lands investment fund:

Original fund..... P100, 000. 00

Profits on investments:

Total amount of interest on loans collected to

Dec. 31, 1924..... P150, 893. 67

Total amount of interest collected during fiscal

year 1925..... 16, 883. 91

167, 777. 58

Total of funds operative at the close of fiscal year 1925..... 267, 777. 58

Distributed among 347 loans outstanding on Dec. 31, 1925..... 262, 557. 69

Cash on hand at the close of the year 1925..... 5, 219. 89

Expenditures and receipts.—The yearly expenses and receipts of the friar lands estates for the past five years are as follows:

Fiscal year	Receipts total	Receipts per capita	Expenditures total	Expenditures per capita
1921.....	P959, 708. 06	P0. 08691047	P170, 687. 20	P0. 0154573
1922.....	1, 046, 194. 39	. 0926125	159, 483. 81	. 014118
1923.....	927, 231. 99	. 0802361	158, 518. 79	. 0137171
1924.....	1, 002, 198. 34	. 0850227	155, 404. 57	. 0131839
1925.....	982, 751. 77	. 08295	151, 297. 27	. 01277

SAN LAZARO ESTATE

Disposition.—With all the lots of this estate already disposed of, the activities during the year consisted mainly of collecting installments due and issu-

ing deeds of conveyance for the lots already paid for in full, and of administering the San Lazaro investment fund. The status of the disposition of the San Lazaro estate is shown in the following tabulated statements:

Lots occupied with contracts

Disposition	Number of lots	Area, in square meters	Value
Sold and fully paid for.....	1,509	351,654	P1,148,963.27
Sold but partially paid for.....	928	246,630	889,786.55
Leased.....	16	14,696	35,330.00
	2,453	612,980	2,074,079.82

Lands occupied without contract

Disposition	Area, in square meters	Value
Bilibid Prison.....	34,855	P86,190.00
Bilibid Prison extension.....	36,450	91,075.00
San Lazaro Hospital.....	100,395	340,022.00
2-meter alleys and water-closets.....	25,169	102,082.00
Total.....	196,869	621,369.00
Vacant lot (in front of Bilibid Prison).....	219	2,540.00
Streets occupied by the city of Manila.....	259,149	951,847.00
Total.....	259,368	954,187.00
Grand total of estate.....	1,069,217	3,649,635.82

Collections.—There was a considerable increase in the collections during the year 1925 as compared with those of 1924. The following is an itemized statement of collections from all sources including interest on investments: Receipts from—

Sales.....	P127,874.91
Interest on deferred payments.....	20,944.15
Rents.....	518.00
Penalties and interest thereon.....	126,807.38
Miscellaneous sources.....	28.00
Total.....	276,172.47

San Lazaro investment fund.—The transactions made in connection with the San Lazaro investment fund during the year show an increase over those for 1924, judging from the number of new loans granted. The following is an itemized statement showing in detail the transactions for 1925:

Total of funds on hand and available for loans on Jan. 1, 1925..	P159,640.06
Total of redeemed loans during the year.....	210,843.56
Total collection on account of sales of lands in San Lazaro estate during the year added to investment fund as per Act No. 2478..	127,874.70
Grand total of funds available for loan.....	498,358.32
Less total amount of new loans granted during the year 1925.....	310,655.70
Balance of funds available at the close of the year.....	187,702.62
Total amount of funds in transit.....	1,441,801.20
Grand total of funds in operation at the close of the year ending Dec. 31, 1925.....	1,629,503.82

Expenditures and receipts.—The yearly expenses and receipts of the San Lazaro estate for the past five years are shown in the following table:

Fiscal year	Total receipts	Per capita receipts	Total expenditures	Per capita expenditures
1921.....	P264,656.06	P0.023967	P8,105.98	P0.00071756
1922.....	257,697.21	.0228122	6,400.05	.00056654
1923.....	243,748.22	.02109226	5,857.64	.00050679
1924.....	212,732.96	.01804746	5,923.85	.00050255
1925.....	264,909.54	.02236	6,708.19	.00057

BUREAU OF SCIENCE

GENERAL STATEMENT

During the year 1925 the activities of the bureau of science from the stand-points of routine, research, and cooperation with other entities have been greatly increased, and great improvements have been made in the material condition of the plant. More routine work was done for the government and for private individuals than in any previous year, and the income exceeded that of any past year. Among the outstanding achievements of the bureau in the way of routine was the production during the last four months of the year of sufficient cholera vaccine to vaccinate 3,000,000 people. During the year the bureau of science furnished free of charge 46,120 bottles of tikitiki extract for the cure of infantile beriberi.

Expenditures, income, and free work.—The expenditures for the year 1925 were P633,730.93. The cash income amounted to P388,697.76, while free work to the value of P1,472,870.64 was done for other government entities. The cash income and the value of the free work amounted to P1,861,568.40. Subtracting from this total the expenditures of the bureau leaves a balance of P1,228,837.47, which represents the actual profit to the Philippine government in operating the bureau of science. The actual cost to the government is the amount expended, P633,730.93, minus the actual receipts, P388,697.76, leaving P245,033.17 for which the bureau did P1,472,870.64 of free work, or P6.01 for each peso expended by the government.

The income for the year was P38,401.81 greater than in 1924, and the expenditures were increased by only P13,209.72. The amount of free work for other government entities was increased over that for 1924 by P665,547.44. This increase was largely due to the fact that the bureau supplied the Philippine health service with P581,782 worth of vaccines free of charge. Most of this was used in the campaign against cholera.

In addition to the free work mentioned above, the bureau of science gave at the bureau of science a total of 938 Pasteur antirabic treatments, valued at P4,690, and sent to the Provinces 875 treatments, valued at P4,375 or a total of P9,065. Each treatment consists of 25 daily inspections. Again, the bureau determined free of charge for other government entities and private parties innumerable specimens of plants, insects, rocks and minerals, and other materials, besides entering into numerous consultations and minor researches for the promotion of government and private interests. In the above description of the returns that the bureau of science makes to the government, no mention has been made of the very valuable research undertaken and published in the Philippine Journal of Science, which has been of great value both to the government and to private interests and in the promotion of health conditions in the archipelago, as well as in increasing scientific knowledge.

The following table shows the annual expenditures and receipts for the past five years, as well as the value of free work done for other government entities during 1924 and 1925, and the corresponding rates thereof per capita of the country's population.

Year	Expenditures		Receipts		Free work	
	Total	Per capita	Total	Per capita	Total	Per capita
1921.....	P789,758.79	P0.07	P268,702.77	P0.02	-----	-----
1922.....	626,334.57	.05	343,651.33	.03	-----	-----
1923.....	580,007.91	.05	366,492.87	.03	-----	-----
1924.....	620,492.11	.0525	330,295.95	.0279	P807,322.60	P0.0683
1925.....	633,730.93	.0534	388,697.76	.0328	1,472,870.04	.1243

ACTIVITIES

All the foregoing indicate in a very concise way the most principal accomplishments of the bureau of science during the year under review. By divisions, the most important works done in addition to researches made, are as follows:

Division of biology.—This division has been partly reorganized. All the members of the staff and their offices have been placed on one floor, making thus the cooperation among them and the supervision of the junior personnel easier. The serum laboratory, as in the past, has been engaged in the production of standard and reliable products, and the greatest bulk of the work was in the preparation of smallpox vaccine, antidyenteric serum, typhoid vaccine, and cholera vaccine. In the last four months of the year enough cholera vaccine was produced to vaccinate 3,000,000 people, and this production exceeds that of any of the previous years. Great improvements have been made in the provincial laboratories, particularly in Cebu. The laboratory in Iloilo made a very good showing during the year.

Botany division.—The number of plants collected in the islands has not been so large—only 2,215—as in previous years because the common and well-identified plants have been neglected and the efforts of the collectors have been directed to finding new and rare species. The work on identification of the collections has progressed considerably. The section of medicinal, poisonous, and economic plants has obtained or collected many species during the year, and among them appear various poisonous ones. Plant specimens have also been received from the Malay Peninsula, Strassburg, India, Buitenzorg, Rotterdam, etc.

General zoology.—A large collection of natural-history specimens, especially birds, was made in Palawan during August to November, and a small collection was made at Balete Pass, Luzon. Some progress was made in the identification of old collections and in the preparation of illustrations of birds. Numerous orders for routine taxidermic work were executed. The investigations of the locust problem in the Philippine Islands, particularly with reference to endemic breeding places, were continued. Extensive experiments in breeding injurious boring beetles were carried on during the whole year, and many new and unreported species as well as the data referring to their host plants were collected and studied. General entomological collecting, during which special attention was given to the more injurious insects, was carried on during field trips to the region of Mount Pulog, Mountain Province; the mountains near Casiguran, the region of Mount Banahao, Laguna; the island of Siquijor; and the Province of Cebu and Oriental Negros.

Division of fisheries.—The technical personnel of the division has been reenforced by the return of Mr. Heraclio R. Montalban from a travel of study to the United States, Hawaii, Japan, and Formosa, reporting to duty on January 1, and the appointment of Mr. Jose R. Montilla, a graduate of the College of Fisheries, Seattle, Wash. A shipment of black bass from Baguio was taken to Lake Lanao, Mindanao, where the fish was planted in one of the tributaries of the lake. A small amount of carp were brought in from China. These carp were placed in the new pond on the bureau of science grounds, and a sufficient number of them have lived and thrived to warrant the belief that in another year we shall have quantities of carp for distribution. The importance of the sardine industry at Estancia, Iloilo Province, and the general fishery conditions in Iloilo, Capiz, and Antique Provinces investigated, and various other places were visited for purposes of study.

The Manila Bay fisheries, particularly the bangos industry of Rizal, Bulacan, Pampanga, and Bataan Provinces, the Japanese beam trawlers of Manila Bay, and the coast fisheries between Manila and Cavite have also been looked into. Much valuable information was obtained throwing light on the life history of the ipon and upon the lax way the fish regulations are enforced in many localities. The ipon industry in Abra River is worth ₱300,000 or more annually. During all these trips an enormous amount of material was secured bearing upon studies of the gobies and the ipon industry. The fisheries collection has increased considerably during the year. The aquarium greatly needs an overhauling.

Division of inorganic chemistry.—As in the past, important among the activities of this division was the testing of the cement used in construction work by or for the insular, provincial, and municipal governments. In addition to the testing of cement the different classes of sand and gravel available near the locality of the proposed construction are tested to determine which available materials are best suited to the work. In 1923 the number of samples submitted to the cement laboratory for testing was 10,242, in 1924 the number was 15,345, and in 1925 it was 17,263. Then there is the analysis of coal and other fuels, and of waters and minerals. Over 99,000 tons of coal were analyzed for the bureau of supply and the Manila Railroad alone, and the penalties imposed for delivering coal below the guaranteed standard amounted to ₱14,153.

Division of soils and fertilizers.—The routine work of the division continues to increase in view of the increasing demand for fertilizer and a greater desire to know soil conditions on the part of the public for the purpose of improving the productive capacity of the lands. In the enforcement of the fertilizer law every effort is being made to place the fertilizer business upon a solid and properly regulated basis. During the year just closed about 30,000 tons of fertilizer were used, valued at approximately ₱3,500,000, mostly for sugar cane. Forty-six brands of fertilizers have so far been registered. Every effort has been made to meet the necessary inspection work in order that the fertilizer consumer may be protected. The chemical control work on insecticides and fungicides is at present limited in view of the fact that the farmers are not yet familiar with the use of chemical sprays for insect pests and fungous diseases. The work on the standardization and branding of galvanized iron for roofing material so that the public may readily know what it is buying has been continued. This division is in very close touch with the experimental work of the bureau of agriculture.

Organic chemistry division.—Both the research and routine work have progressed in a satisfactory manner. There has been a steady increase in analytical work and in the demand for services of the personnel for consultation relative to commercial problems and for expert testimony in courts. By a careful application of analysis to the enforcement of the food and drug laws, adulteration and misbranding are gradually being eliminated. Investigation in canning and preserving Philippine fruits and the extension work in instructing housewives of the Philippines in this important branch of home economics have been continued. There has been a great activity among the people in the establishment of small soap factories throughout the islands. This division has directed the establishment of several hundreds of such plants during the year. In general, the analytical work, research, and advice of this division have considerably raised the standard of food and drug products used throughout the islands, as well as improved the methods of manufacture in the industries, and has helped to develop the natural resources and to find usage for the manufactured products of the same. Likewise, it has considerably enhanced the value of waste or by-products of various Philippine industries. The manufacture of tikitiki extract has continued practically as in the past.

Division of geology and mines.—As in the past, the service rendered by this division, both to the public and to other Government entities, consisted in the usual consultations on geological and mining subjects, the examination and identification of rocks and minerals, the study of drilling samples for the bureau of public works and the metropolitan water district, and the regular work of assaying, smelting, refining, and drafting. Among others, 215 samples of ores and 36 samples of gold bullion were assayed for gold and silver or for gold only. The field work done entirely at the expense of the bureau of science during the year consisted of the geologic reconnaissance of the Zambales Mountains, the Diuata Mountains, and of southern Negros, and a visit to the

Sibuguey coal district. Besides, the following trips were undertaken at the expense of other entities; Geologic reconnaissance of areas in northwest Leyte; valuation of mining improvements in Batan Island; examination of gypsum mines in Batangas; several short trips to the Novaliches water-reservoir site; and special detail of a geologist with the Cebu Portland Cement Co. in connection with diamond-drilling operations. In the last-mentioned work both the salary and the field expenses of the geologist have been paid by the company.

Library.—With 2,120 added during the year, the total number of the bound volumes of the bureau of science has been increased to 58,060, besides some 30,545 unbound volumes and parts. Four hundred and eighty-five of the bound volumes were, however, transferred to the University of the Philippines during the year.

Research.—The amount of research turned out and published has been increased so much that it has been necessary to issue the Philippine Journal of Science in three volumes per year instead of in two as heretofore. The bureau of science publications reach all parts of the world and give the institution a great reputation in foreign countries. Among the more outstanding accomplishments along research lines during the year are the following:

Biology:

Investigation of bacillary dysentery, including serological grouping of various strains of *Bacillus dysenteriae*; study of the constancy of the types of *B. dysenteriae*; study of qualitative antigenic properties of various strains of *B. dysenteriae*, with the view to explaining the serologic grouping and to selecting those most suitable for the production of superior antidyenteric serum.

Study of pathogenesis of pneumococcal pneumonia in Philippine monkeys, with the view to determining the pathogenesis of pneumonia in man.

Study of infection, superinfection, and immunity to yaws in experimental animals and comparative study in therapy of this disease by various drugs and preparations.

Serologic studies on patents receiving the Pasteur treatment.

Experimental study with the view of detecting certain factors that influence the results of serologic reactions.

Experimental proof of the independence from each other of some serologic reactions.

Botany:

Pharmaceutical study of *Chenopodium* (*Chenopodium ambrosioides*) and *dita* (*Alstonia scholaris*).

Study of the chemically active principles of *Artabotrys suaveolens*, *Rourea erecta*, and *Gynmema tingens*.

Study of plant diseases (by bureau of agriculture personnel) in the bureau of science.

General zoology:

A monograph of the pachyrrhynchid group of the *Brachyderma curculionidae*.

Macroænos piercei (Strepsiptera), a new genus and species of wasp parasites of the Philippine Islands.

New and rare Philippine Lepidoptera.

Fisheries:

Taxonomic studies of various groups of Philippine fishes, particularly monographs of the Pomacentridæ and Gobiidæ.

Inorganic chemistry:

A study of Philippine sands, gravels, and rocks as building aggregates. Result of paint exposure tests.

Comparative service tests of various imported coals used for locomotives. Surface tests of lubricants.

Volumetric determination of silver in silver and copper alloys.

Soils and fertilizers:

Chemical properties of Philippine guano.

The nitrifying power of Philippine soils re bacteria in the fermentation of tobacco.

Bacteria concerned in the fermentation of tobacco.

Organic chemistry:

Study of the by-products of the coconut-oil industry, particularly the waste products from the hydrogenation of coconut oil.
 Study of the chemical aspects of various classes of rice.
 Investigation in canning and preservation of Philippine fruits and vegetables.

Geology and mines:

Fossil corals of the Philippines.
 Geological reconnaissance of Zambales.
 Geological reconnaissance of Surigao.
 Detailed geological survey of the Angat-Novaliches region.
 Contributions to Philippine petrography.
 Philippine gold placers.

COOPERATION

United States Army Medical Department Research Board.—During the year 1925 the United States Army Medical Department Research Board continued to occupy quarters and to conduct research work in the bureau of science. The outstanding accomplishment of the year was the completion of the study of dengue fever in all its phases. This is an exceedingly valuable and extensive research which has contributed much to our knowledge of the disease. The results will be published in the January-February number of the Philippine Journal of Science. Search for the causative agent has been continued and work on beriberi and on the transmission of leprosy commenced with very promising results. New methods of treatment of epidemic lymphangitis have been tried, and it is believed that a treatment will be developed that will greatly shorten the period of disability caused by this infection. The investigation on the method of transmission of surra has been continued, and the results of this work are also most encouraging.

Rockefeller Foundation.—Mr. G. E. Lacy, the fellow of the Rockefeller Foundation, had finished his work and left early in the year. No one has as yet been appointed to succeed him.

Harvard University.—Dr. A. W. Sellards, of the Harvard Medical School, also left during the year, after having worked for a year on various phases of the problem of yaws in the Philippines.

Japanese Government.—Maj. K. Morishima, who was assigned by the War Department of the Imperial Japanese Government to study tropical diseases at the bureau of science, returned to Japan at the end of his term. He was succeeded by Lieut. Surg. K. Yasuyama to pursue studies in tropical medicine. The progress of his studies has been reported in a semiannual report forwarded through the Governor General's office to the Japanese navy department.

Bureau of agriculture.—The bureau of agriculture has continued to assign men to the bureau of science to work on plant diseases. A number of problems have been investigated and an interesting paper has been prepared on the deterioration of manila hemp due to mold action.

Industrial fellowships.—The most important fellowship work done during the past year has been in connection with industrial fellowship No. 12 with the Cordage Institute and industrial fellowship No. 15 with the Manila Railroad Co.

(a) Fellowship No. 12 was approved by the secretary very early in the year. The work was begun in March, and after a study of the situation it was decided to concentrate the first investigations on the causes of and possible remedies for weak abaca fiber, which has been gradually increasing here during the past few years and, unless eliminated or at least held down to a possible minimum, threatens seriously to impair the high position held by manila hemp (abaca) as the premier cordage fiber of the world—a monopoly of the Philippine Islands. Dr. P. L. Sherman, on account of his excellent training and his great familiarity with Philippine problems, was selected to carry on this work.

(b) In accordance with an agreement entered into by and between the director of the bureau of science and the manager of the Manila Railroad Co., and approved by the department, industrial fellowship No. 15 was created and Dr. T. Dar Juan began work under this agreement on July 16, 1925. Several experiments and practical tests were conducted on a few classes of the most important materials and supplies used daily by the company, such as water for boiler purposes, fuels, lubricants, and paints.

AQUARIUM

As in past years, the bureau of science continued to operate the aquarium in the bastion of Real gate of the walled city, where a considerable variety of interesting and curious fishes and other marine animals are displayed for the benefit of the public and tourists. During the year there were 17,435 paid admissions, 2,801 free admissions to elementary students, and 580 half-fee admissions to high-school students. The continued interest in the aquarium is shown by the fact that there was an increase in the income of ₱407.03 over that of the preceding year, while the number of free admissions was increased by 813 and of half-fee admissions by 250. The expenditures were decreased by ₱249.47.

LEGISLATION

Home canning and food preservation.—The division of organic chemistry has done excellent work in the preparation of simple recipes for home canning and preservation of Philippine fruits and vegetables. The work of popularizing this activity was begun at the carnival of 1925 when the bureau of science had an exhibit and distributed pamphlets giving recipes. After the carnival the work was continued by giving instruction to housewives at the bureau of science. Many ladies were instructed in the art of canning, and they have made good progress in canning and in instructing others. In the last session of the legislature, Act No. 3231 was approved, appropriating the sum of ₱15,000 for the extension of this work.

IMPROVEMENTS

At the beginning of the year the bureau of science plant had become so crowded that room was not available for much urgently needed work. Considerable improvement in this direction was made by the remodeling of the old animal house, so that it provided eight good laboratory rooms. The animals were removed to better quarters in sheds in the far corner of the bureau of science grounds. Six of the rooms were given to the inorganic chemistry division. This allowed the concentration of all the work of the division. The section of entomology was also moved from the main building into the repaired building. This had the advantage of putting the valuable entomological collections in fireproof quarters and providing the entomological work with greatly needed additional space. This shifting permitted the concentration of the biological laboratories, which were in three separate locations in the main building, and also the putting of all the storerooms together. The division of organic chemistry and the division of soils and fertilizers were given additional space.

The old shed back of the engineering division, which was used as a coal shed and carpenters' shop, was also so remodeled as to furnish an excellent coal bin, a room for grinding coal and other materials, space for the circular saw, and excellent quarters for carpentry work.

Personnel.—The most important changes in the personnel took place in the division of general, inorganic, and physical chemistry. Dr. T. Dar Juan, chief of the division, resigned on July 15 to accept appointment from the Manila Railroad Co. as fellow in the bureau in connection with the industrial fellowship No. 15. Mr. P. D. Reyes was appointed chief of the division to succeed Doctor Dar Juan. Dr. V. G. Lava, physical chemist, resigned on October 15, to accept an appointment in the college of agriculture, and Mr. Jose C. Espinosa was reinstated in the service to fill the position left by Doctor Lava. Dr. H. Elliott Foote, in charge of the vegetable-oil work in the division of organic chemistry, resigned on June 1, and Mr. Ramon Feliciano was appointed to take his place. Late in the year Dr. A. J. Hermano arrived from the States to take charge of drug analysis. Mr. Jose R. Montilla was added to the scientific staff of the division of fisheries.

WEATHER BUREAU

GENERAL STATEMENT

Assistant Director Father Miguel Selga continued as acting director of the weather bureau throughout the year. The director, Father Jose Algue, who had been granted leave of absence with permission to visit Europe, could

not return on account of sickness and finally tendered his resignation toward the end of the year, which was accepted by the Governor General. Father Algue had been the director of the weather bureau since the organization of that office in 1901. With his resignation the government, and particularly the scientific service, has lost a very efficient and faithful servant. On December 3, 1925, Father Miguel Selga and Father Miguel Saderra Maso, both of the weather bureau, were appointed by the Governor General ad interim director and assistant director of the said bureau, respectively, effective January 1, 1926. Otherwise the personnel of the weather bureau has remained practically the same as in 1926.

The receipts and expenditures of the weather bureau, and their rates per capita of the country's population, as well as those for each of the four preceding years, are shown in the following table:

Year	Population	Total receipts	Per capita receipts	Total expenditures	Per capita expenditures
1921.....	11,042,490	P426.04	P0.00003859	P264,883.34	P0.02398
1922.....	11,296,467	728.41	.00006448	223,279.68	.01976
1923.....	11,556,286	1,214.58	.0001051	213,347.09	.01846
1924.....	11,822,081	218.31	.0000185	219,317.32	.018551
1925.....	11,847,899	541.83	.0000457	210,531.20	.017795

Meteorological division.—Typhoons traversing the Philippines were not so many this year, even in the months of May, September, October, November, and December, none having occurred from January to May and in December. Even August was almost free, as there was only one low-pressure area over Luzon on the 29th. There have been only 5 well-developed typhoons, 2 depressions, and 1 low-pressure area over the archipelago from June to November. They were distributed, by months, as follows: June, 1; July, 2; August, 1 (low-pressure area); September, 1; October, 2 (1 typhoon and 1 depression); November, 1 (depression). The regions most affected by this year's typhoons were: Camarines Norte, in June; the Balintang and Bashi Channels, Batanes Islands, and northern Luzon, in July; the Balintang and Bashi Channels and the Batanes Islands, in September; Mindoro, Busuanga, and Culion, in October.

The most destructive of these typhoons were those that struck the Province of Camarines Norte on June 24 and the southern part of Mindoro during the night of the 15th to the 16th of October. The Mindoro typhoon was extraordinarily small but very intense, the barometer in the center having fallen to at least 714.75 millimeters. The course followed by this typhoon was very abnormal, as it came from the China Sea, moving ENE. across the Philippines. The lowest barometric minimum reported during the year in the Philippines was 712.47 millimeters, recorded on board the steamship *Pathfinder* in the port of San Vicente, in the northeast end of Luzon, during one of the July typhoons.

Although there was a lack of rain during the last months of the year, yet it rained abundantly in other months. Notwithstanding the fact that only a few typhoons traversed the Philippines during the year the annual rainfall for most of our stations has been quite above the normal.

In Manila the greatest monthly amount of rain registered was that in June, with 606.6 millimeters, or a difference from the June normal of 359.9 millimeters. There was only one typhoon over the Philippines in this month; yet the northern part of Luzon suffered from heavy rains and floods for several days during the month. Heavy rains and floods were also caused by the typhoon of June 24 in the Province of Camarines Norte. Heavy rains were also experienced in the Provinces of northeastern Luzon during the typhoons of Bashi and Balintang Channels in July and September.

The weather bureau closed the year with 160 official weather stations, the same as in 1924; 7 first-class stations, including the branch observatory at Mirador, Baguio; 12 second-class stations; 30 third-class stations, and 111 rain stations. There were 90 volunteer stations, as against 88 at the end of 1924. This number, added to the 160 official meteorological stations and to the 2 seismic and magnetic stations where rainfall observation is also taken, make a total of 252 stations reporting daily and monthly rainfall returns for climatological purposes.

Seismic division.—Southern Negros was violently shaken in the evening of May 5, with the result that several structures, both old and modern, were wholly destroyed. The central area of destruction comprised the southern part of the Provinces of Oriental and Occidental Negros. A commission sent to Oriental Negros toward the end of November, and from a study of the ruins, was convinced that a great part of the damage was due to faulty construction and chiefly to the want of timely repairs. The two ruined churches had been constructed of such materials that only in a region such as Negros, hitherto more free from earthquakes than the other Philippine Provinces, could they last as long as they did.

It was also found that damage caused by the shocks in two modern sugar centrals can be attributed to lack of reinforcement and bracing of vertical steel members supporting high heavy loads. The failure of the reinforced concrete pier of the Bais Sugar Central was due to bad conditions of the soil. The few sections of roads fissured were invariably those built through inundated areas. Large landslides, so conspicuous in high and vertical banks of rivers and steep slopes of hill occurred almost always in such places where they also may happen in periods of heavy rains. The landslides and cracks were responsible for all the casualties and deaths during the earthquake and two months later, in July, after heavy rains had set in.

Samar Island also had this year a very hard shaking. On the 13th of November there occurred a violent earthquake which caused some damage in the islands of Batag and Laoang and in towns located on the northeast coast of Samar.

The total number of shocks felt in the different Provinces of the archipelago during the year amounted to 190, much above the annual average, due to after-shocks in May and December. Instrumental disturbances corresponding to domestic and foreign earthquakes surpassed also the annual average. The seismograph at Butuan gave as usual a very high number of records—more than a thousand.

Magnetic division.—Magnetic activity was in the ascending curve, corresponding to an increase of sun spots. Consequently the number of calm days has been much smaller than that of the disturbed days. There was not a single month without extraordinary disturbances. Two of these disturbances were great; they took place on September 21 to 25, and December 27 to 31, and both with the usual display of aurora at high latitudes.

Astronomical division.—Daily time signals have been sent regularly throughout the year during five minutes (10.55 to 11 a. m.) from the central observatory to all the telegraph stations of the bureau of posts. For the convenience of the city of Manila and the steamers anchored in the bay, the time ball is hoisted every day at 11.55 a. m. and dropped automatically by the clock exactly at noon; the initial moment of the descent of the time ball being the exact time of 12.

Wireless time signals of meridian 120° east of Greenwich were sent daily by the Manila observatory between 0255 and 0300 and between 1355 and 1400 Greenwich civil time, via the naval radio station at Cavite.

Another substantial improvement has been introduced in the use of the transmitted time. In 1925 a new telegraph line was laid between the central observatory and the Tutuban railroad station. A relay and switchboard connects the Tutuban line to the master clock of the observatory, which sends automatically every day the standard time to all the stations of the northern and southern branches of the railroad.

SPECIAL ACTIVITIES UNDER THE DEPARTMENT

STOCK HERD PROMOTION

(Established under Act. No. 2758)

On January 1 there were in all the three stock farms, namely, Bongabong, Ubay, and Dumarao, and the Alabang receiving station, which are located in the Provinces of Nueva Ecija, Bohol, Capiz, and Rizal, respectively, a total of 2,283 animals, valued at ₱204,364.05. At the close of the year there were 2,594 head, valued at ₱220,896.85, consisting of 2,313 head of cattle and 281 carabaos, exclusive of 164 head sold for ₱14,599.22 and the 402 young calves born during the year. The rate of birth this year was 47.05 per cent of the number of aged females, while that of death was 2.99 per cent on the average

number of animals at the farms, there having died during the year a total of 59 animals, valued at ₱6,843. The total assets, exclusive of the 402 young calves, at the end of the year were ₱305,591.22, as against ₱302,520.05 in 1924, a net gain of ₱3,070.72. This gain would have been nearly ₱22,000 but for the inevitable loss of ₱18,807.20 sustained through the sale at current local prices for beef cattle of a number of the original breeding animals which were either too old or otherwise defective for breeding purposes. Most naturally these animals had been bought at several times the price they were thus sold.

RICE AND CORN FUND

(Special fund of ₱1,000,000 under Act No. 2818)

Loans aggregating ₱1,648,195 have been made so far from the operation of this special fund. Of the 546 cooperative rural credit associations existing during the year, 323, distributed in 35 Provinces, were receiving benefits from this fund. All loans are well protected by the excessive securities, consisting of real properties, offered by the different borrowing associations. The loans made from year to year since the beginning are as follows:

	Amount		Amount
1919-----	₱818, 200	1924-----	₱115, 305
1920-----	239, 500	1925-----	86, 950
1921-----	138, 000		
1922-----	83, 300	Total-----	1, 648, 195
1923-----	166, 940		

Of these loans, the amount of ₱816,853.66 has already been paid back as principal besides ₱315,200.03 actually collected as interest, as will be seen from the following table:

Year	Principal	Interest	Total	Year	Principal	Interest	Total
1920-----	₱74, 420.00	₱44, 587.76	₱119, 007.76	1924-----	₱178, 334.59	₱53, 943.40	₱232, 277.99
1921-----	90, 578.97	52, 618.98	143, 197.95	1925-----	222, 910.82	56, 139.63	279, 050.45
1922-----	101, 890.78	56, 553.41	158, 444.19				
1923-----	148, 718.50	51, 356.85	200, 075.35	Total-----	816, 853.66	315, 200.03	1, 132, 053.69

The standing of the fund at the close of business on December 31, 1925, is as follows:

Fixed property (furniture and equipment)-----	₱1, 790. 34
Supplies and materials in stock-----	155. 66
Accounts receivable, including ₱375,085.65 of overdue install- ments and interest and ₱2.31 miscellaneous-----	375, 087. 96
Outstanding loans-----	831, 341. 34
Cash balance in the insular treasury-----	425, 711. 17
Total-----	1, 634, 086. 47

The total expense of administration up to and including December 31, 1925, is ₱51,783.06 (including ₱2,857.73 of account payable). Thus the original fund of ₱1,000,000 has now produced a net gain of not less than ₱582,303.41, or 58.23 per cent, in less than seven years of operation. Of far greater consideration, however, are the benefits derived by the borrowing rural credit associations and the individual farms from the use of the money so loaned to them at a low rate of interest for the greater production of rice and corn. The 1925 expenses totaled ₱7,214.30, as compared with the annual average of ₱8,470.34 for all the previous years, exclusive of a small amount in each case for accrued leave earned by and payable to some of the employees.

AGRICULTURAL COLONIES

As in the past few years the administration of the insular agricultural colonies was continued through the director of lands and the director of the bureau of non-Christian tribes as delegates of the secretary of agriculture and natural resources, the former administering those located in the Provinces of

Bohol and Cagayan and the latter those in Cotabato and Lanao. There being no new appropriation voted for their support, the colonies had to manage the best they could within their own resources, which, especially in the case of the Cagayan colony, was very limited.

Bohol agricultural colony.—There were at the close of the year under review 148 colonists with the colony, thus leaving only 10 lots unoccupied out of the 150 lots into which the colony had been divided. Four of these vacant lots were intended and so set aside for experimental purposes. The total area cultivated during 1925 was 1,834 hectares, as against 1,612 hectares in 1924, rice and corn being the principal crops produced. There was also an increase in the number of coconut trees in the colony and in the area planted to root crops and vegetables. Considerable quantities of hats, mats, and sinamay cloth have been made by the housewives and their daughters out of the materials raised or found within the colony. The collection of accounts has been very slow on account of the destruction of crops by locusts and of other calamities.

Cagayan agricultural colony.—The colony closed the year with 101 colonists. The area under cultivation was 500 hectares, practically one-half of which had been planted to rice and the rest to corn, sugar cane, fruit trees, and vegetables. This colony suffered even greater calamities during the year than the Bohol colony. There is great need for a new colony office and an additional bodega.

Cotabato agricultural colony.—The main task of the administration has been to effect a speedy collection of the colonists' indebtedness to the government and to encourage greater production. The following table shows the kind and number of families occupying lands in the seven different colonies, namely, colonies 1, 2, 3, 5, 7, 9, and 10, in Cotabato, the number of persons constituting the families, and the number of lots remaining available:

Colonies	Occupied by—	Number vacant
No. 1.....	177 Christian families, numbering 2,865 persons.....	27
No. 2.....	254 non-Christian and 2 Christian families, numbering 2,615 persons.....	6
No. 3.....	89 Christian families, numbering 1,205 persons.....	15
No. 5.....	229 non-Christian and Christian families, numbering 1,940 persons.....	126
No. 7.....	56 Christian and 6 non-Christian families numbering 589 persons.....	59
No. 9.....	636 Christian families (of colonists and homeseekers).....	28
No. 10 ¹	51 Christian families, numbering 488 persons.....	

¹ Established under Act No. 2806.

Still 250 of the old contracts, involving the sum of ₱40,711.61, remain un-renewed; and 702 new contracts, amounting to ₱329,581.48, have been signed. The amount of ₱35,521.21 is still being carried in the books as uncollectible debts of various colonists. Due to drought, large areas of corn, rice, and other food crops were destroyed during the year. That naturally hampered the collection of the indebtedness of the colonists. The total collection for 1925 is ₱12,241.58, as against ₱36,773.57 for 1924, a decrease of ₱24,531.99.

In all the seven colonies 4,520 hectares were cultivated during the year, 2,056 of which having been planted to corn, 1,526 to rice, 20 to tobacco, and the remainder to various other crops. One hundred and seventeen houses and 31 bodegas, all valued at ₱26,215, were constructed by the colonists and home seekers during 1925. Of perennial crops there were 22,575 coconut trees, 2,500 cacao, 1,300 kapok, and 800 coffee, all of which being in agricultural colony No. 9. Of livestock there were 16,247 chickens and 2,610 pigs. In spite of low prices for agricultural products, trade in the colonies has been steady. In colonies Nos. 1, 2, 3, and 5, 17 stores were established by the colonists and home-seekers, with capital ranging from ₱300 to ₱4,000 each. From colony No. 9, the one at Glan, 2,600 cavans of corn were exported.

According to the division superintendent of schools, there were 23 school buildings and 48 teachers, and instruction was given up to the seventh grade. There were 1,649 pupils, of whom 773 were Christian boys and girls and 719 Moro boys and 157 Moro girls.

Momungan agricultural colony.—At the close of the year under review there were 115 homesteaders in this colony, among whom 64 were Visayans and

27 Americans. The rest (24) was made up of people from Luzon, some non-Christians, and 1 from Guam. The following table shows the financial status of the colony for each of the past three years:

Items	1923	1924	1925
Liquid assets:			
Cash—			
Insular treasury	P141,099.92	P141,099.92	P143,099.92
Province Lanao for safekeeping			2,000.00
Disbursing and collecting officers—			
Jose N. Orbe	2,206.86	2,192.67	2,192.67
Provincial treasurer	5,150.58	10,160.56	
I. T. Policher	78.50	26.94	
Julian Aberilla			384.01
Deferred charges:			
Sales stock (farm products)	240.44	345.55	345.55
Colonists' produce	1,094.01	756.29	756.29
Merchandise:			
Miscellaneous	21,331.31	12,622.12	10,123.95
Jose N. Orbe	14,939.21	15,125.81	15,125.81
Felipe Villanueva	1,425.22	2,095.22	2,095.22
Animal stock	1,730.00	1,670.00	1,490.00
Severo G. Yap	698.15		
Accounts receivable	1,861.90	2,119.10	1,629.46
Accounts receivable (R. B. Manalac)	12,438.65	12,593.80	8,215.05
Colonists' account current	101,418.98	81,071.98	75,159.64
Total liquid assets	20,662.99	4,510.30	20,772.71
Fixed assets:			
Buildings	9,900.00	10,630.07	10,480.07
Equipment	30,575.94	29,036.51	12,042.82
Less depreciation of—			
Buildings	1,809.78	2,341.28	2,730.28
Equipment	9,079.70	12,564.08	9,710.08
Total fixed assets	29,586.46	24,761.22	12,082.53
Total assets	50,249.45	20,250.92	18,590.18
LIABILITIES, CAPITAL, AND SURPLUS			
Liquid liabilities:			
Colonists proprietary accounts	1,094.01	756.29	756.29
Accounts payable	1,620.91	1,863.32	1,611.48
Total liquid liabilities	2,714.92	2,619.61	2,367.77
Capital and surplus:			
Principal account surplus	42,136.22	42,136.22	25,528.47
Working surplus	5,398.31	5,398.31	24,504.91
Net loss		29,903.22	12,081.61
Total capital and surplus	47,534.53	17,631.31	11,057.96
Total liabilities, capital, and surplus	50,249.45	20,250.92	8,690.18

The work in this colony during the year was confined to the collection of the indebtedness to the government of the old colonists and to encouraging deserving home seekers to take the few remaining unoccupied lots.

Respectfully submitted,

SILVERIO APOSTOL,
Acting Secretary of Agriculture and Natural Resources.

The GOVERNOR GENERAL,
Manila, P. I.

ANNUAL REPORT OF THE DEPARTMENT OF PUBLIC INSTRUCTION

MARCH 31, 1926.

His Excellency the GOVERNOR GENERAL,
Manila, Philippine Islands.

SIR: I have the honor to submit the Twenty-fourth Annual Report of the Department of Public Instruction covering the year 1925. The organization of the department remains unchanged and consists of the bureau of education, the bureau of health functioning as the Philippine health service, bureau of quarantine service, and the office of the superintendent of private schools. This report is drawn largely from summaries prepared by the chiefs of the bureaus of education and health. The complete report of the chief of the quarantine service for 1925 is annexed herewith. A comprehensive account of the activities of the bureaus of education and health is contained in reports thereof published separately in August of each year. These will be forwarded to the Governor General upon completion.

The personnel of the department during the year was as follows: Eugene A. Gilmore, secretary; Alejandro Albert, under secretary; Luther B. Bewley and Gabriel Nañalac, director and assistant director, respectively, of the bureau of education; Dr. Jacobo Fajardo, director of the bureau of health and chief of the Philippine health service; Dr. H. F. Smith, of the United States Public Health Service, chief of the bureau of quarantine service; Thomas J. McQuaide, superintendent of private schools, until June 1, and Alejandro Albert, under secretary, in charge of private schools from June 1 until December 31.

The total expenditures of insular funds for all activities under this department for 1925 as compared with 1924 were as follows:

Bureaus	1924	1925
Office of the vice governor and secretary of public instruction.....	P55,328.00	P59,000.00
Bureau of education.....	14,672,549.00	14,843,791.65
Bureau of health.....	3,208,813.00	3,334,476.53
Quarantine service.....	139,744.00	135,026.70
Total.....	18,076,434.00	18,372,294.88

The above expenditures for quarantine service do not include the salaries of the chief of the bureau, one surgeon, and a clerk, which are paid by the United States Government. Nor do they include the provincial and municipal expenditures for health and education. The details of the expenditures of the office of the vice governor and secretary of public instruction as distinguished from the expenditures of the bureaus are as follows:

Office of the vice governor and secretary of public instruction

Vice governor and secretary of public instruction.....	P20,000
Undersecretary of the department.....	7,500
One chief clerk.....	4,000
One clerk.....	3,000
Do.....	1,800
Do.....	1,200
Do.....	900
One messenger.....	480

SUPERINTENDENT OF PRIVATE SCHOOLS

One supervisor and clerk.....	3,000
Do.....	2,800
Do.....	2,400
One clerk.....	1,200
Do.....	720

TRAVELING EXPENSES

Department of public instruction.....	10,000
Total.....	59,000

In the departmental report for 1924 the fact of the establishment of a retirement system for officers and employees of the Philippine health service is set forth. The funds for this retirement are obtained from fines and forfeitures resulting from administrative investigations and from deductions and retentions from the monthly pay of officers and employees of the Philippine health service on the basis of 3 per cent of their respective monthly salaries. The total amount paid into the fund since its establishment down to the end of 1925 is ₱50,814.60. There have been 16 officers retired, calling for an annual expenditure of ₱15,947.71.

In 1922 a pension and disability system was established for public school teachers. The funds for this system are derived from salary deductions, direct government contributions, moneys resulting from fines, leaves of absences without pay, unfilled positions and other salary savings, donations, gifts, legacies or bequeaths, and incomes from investments authorized by law. The total amount paid into the fund from its inauguration down to December 31, 1925, is ₱4,289,842.13. The total number of teachers who have been granted a retirement pension is 98, calling for an annual expenditure of ₱53,649.03. The total number who have been granted a disability allowance is 3. Two of the latter have since returned to the service and their pension has been discontinued. Detailed accounts of the administration of these two systems are found in special reports submitted annually to the Governor General.

The principal departmental event of the year was the survey of the educational system of the islands. The names of the persons conducting it, the results of the investigations, and the recommendations are set forth in a printed report of 677 pages, submitted to the executive and the legislature in July. The work began in January and was completed by May 1. One thousand copies of the report were printed and distributed gratis to Government officials and interested persons. The legislature authorized the printing of 1,500 more copies to be sold at cost. Most of these have been disposed of. Due to the fact that Dr. Paul Monroe and several of his staff generously donated their services, the total cost of the survey was slightly less than the ₱100,000 appropriated. While the annual reports of the bureau of education have recorded the essential data concerning the educational activities of the government and have shown the growth and development of the public-school system, there had never been since the system was established a comprehensive survey of it. The present survey made by a group of distinguished educators is valuable in that it points out the remarkable achievements, indicates clearly certain weaknesses and defects in the system, and makes constructive recommendations for improvement and developments for the future.

Among the salient facts found are: Approximately 97 per cent of the 1,100,000 children enrolled in the public schools are in the primary and intermediate grades, a little more than one-half being in the first two grades. During the 25 years the system has been operating, about 600,000 have finished the primary grades; 400,000, the fifth grade; 300,000, the sixth grade; 200,000, the seventh grade; and 20,000, the high-school course. The average time which children spend in the school is less than three years; the mass of Filipinos do not now stay in school long enough to develop for permanent use even the rudiments of an education. Grade for grade, Filipino children are about three-quarters of a year behind American children, and in paragraph reading about two and one-half years. Filipino children have the intellectual capacity to do the work of the school as now organized. There is a very large number of overage children enrolled; there is much retardation and repetition of grades. The teaching staff of 27,000, of whom only 400 are Americans, is seriously lacking in professional training. Due to the short stay of children in school and to an inadequately trained teaching staff, the average child fails to attain much of permanent value from his stay in school, especially so far as an adequate and lasting knowledge of English is concerned. Secondary education is too academic and produces an excessive number of nonproductive individuals. There is great need for more practical and vocational training, especially along agricultural lines. Educational facilities have been extended too rapidly for efficiency, and quantity rather than quality has been attained. Educational administration has become highly centralized, rigid, and routine. Due to lack of financial support, the central office of the bureau is lacking in essential educational leadership; teacher-training facilities are wholly inadequate. The total annual governmental expenditure for education amounts to almost ₱24,000,000, or approximately 23 per cent of the total revenues of the government. There is need of a larger and more stable support for public education,

and a better system for the distribution of insular aid to education. The report finds that, notwithstanding the short stay of the children in school, the small number of native English-speaking teachers and of Filipino teachers possessing facility in English, the lack of efficient methods in the hands of adequately trained teachers, progress is being made in the teaching of English, and that in a few conspicuous Provinces Filipino children read and write English well enough to give promise that it will be of real service in after life. The success of these schools proves conclusively that even under existing difficulties the objective of making English of common use can be reached. It is strongly recommended that English be continued as the medium of instruction, that children be retained in school at least five years, that the method of teaching be changed and improved, and that more American teachers be employed and that they be placed in the normal schools, or where they will come in contact with prospective Filipino teachers.

With respect to schools under private auspices, the report finds that they are in the main of very low standards, poor equipment, and inadequately trained, shifting and poorly paid teaching staff; that many of the nonsectarian schools are money-making ventures, sacrificing educational efficiency for pecuniary gain; that the government supervision of these schools is inefficient and inadequate. It is recommended that a suitable staff of supervisors and inspectors be provided for the department; that the academic standards and the requirements for physical plant and equipment be raised, and that no school be permitted to open or to continue in operation unless it meets the minimum conditions.

The recommendations of the survey board are divided into two groups: Those requiring legislation, and addressed to the legislature; those capable of being carried out by administrative action, and addressed to the bureau of education. A great part of the report deals with pedagogical problems the solution of which falls to administrative officials. Comparatively little legislation is recommended, but it is of a very essential nature and has reference, first, to additional financial support and methods for securing it, and, second, to certain changes in existing laws relative to educational administration.

After submitting the report to the legislature it was referred to the committee on public instruction in each house and was later referred to a special joint committee of both houses. A concurrent resolution was passed August 10, 1925, requesting the secretary of public instruction to submit to the legislature his views on the findings and recommendations of the survey. In compliance with this request the secretary on September 18, 1925, transmitted in printed form, a copy of which is annexed, his views on the conclusions and recommendations of major importance. Reference is made to this document as embodying what the department believes should be the policy with regard to the present school facilities and to the further extension of the same. Retention of pupils already in school for a longer period and improvement of existing facilities should take precedence over extension; the emphasis should be shifted from quantity to quality.

The effect of the survey and of the comments of the department thereon has been to stimulate much interest in the educational problems of the islands. The bureau of education has put into force by administrative action some of the recommendations and is giving careful consideration to others. The budget of the department having been prepared before the survey report was submitted, little progress was made in 1925 in carrying out those recommendations calling for further funds for operation. An encouraging start, however, was made in meeting the recommendation for increasing and improving the teacher-training facilities. There was appropriated ₱395,000 for the ground and building for a training department for the Manila Normal School, and ₱90,000 as insular aid towards the construction of a ₱160,000 provincial normal school for Pangasinan.

Decided improvement was made in providing more personnel for the supervision of private schools. For many years this work was done by the department with a staff consisting of four persons detailed from the bureau of education and three persons in the department. The very great need of the bureau for all of its American personnel led to a request in June, 1925, for the return of the four persons who had been on detail. The return of these left the department with a staff of only three supervisors. The recommendation of the department for a special staff of supervisors, however, was accepted and

an increase of ₱33,860 in the appropriation for personnel and ₱6,000 for travel was granted for 1926. This will give the department the following staff:

Office of the vice governor and secretary of public instruction

	Salary
Vice governor and secretary of public instruction-----	₱20,000.00
Undersecretary of the department-----	7,500.00
One chief clerk-----	4,000.00
One clerk-----	3,000.00
Do-----	1,800.00
Do-----	1,200.00
Do-----	900.00
One messenger-----	480.00

Private school commissioner

One commissioner, by designation.	
One general supervisor-----	6,000.00
One assistant general supervisor-----	4,000.00
One second assistant general supervisor-----	3,600.00
One third assistant general supervisor-----	3,000.00
One fourth assistant general supervisor-----	2,400.00
One supervisor-----	2,400.00
Do-----	2,400.00
Four supervisors-----	8,000.00
One supervisor-----	1,800.00
One clerk-stenographer-----	1,500.00
One clerk-----	1,200.00
Do-----	960.00
Do-----	720.00
Traveling expenses, department of public instruction, including supervision of private schools-----	16,000.00
Total-----	92,860.00

The legislative session of 1925 gave ample evidence of the continuance of the enthusiasm of the Filipinos for education. A résumé of the proposed and actual legislation is interesting. Besides the general appropriation bill and the public works appropriation bill, there were 165 bills and 5 resolutions presented dealing with the subject of education. These bills proposed approximately ₱31,000,000 for construction of buildings, ₱17,000,000 for operation, and ₱2,500,000 for new or extended activities. The bills that actually passed both houses carried appropriations for buildings amounting to ₱1,746,500 and for operation ₱16,800,000. After certain eliminations by executive veto there was actually appropriated for 1926 for buildings ₱1,436,000 and for operation ₱16,798,827. This represents an increase over the appropriations in 1925 of ₱863,755 for buildings and ₱410,375 for operation. The increase for buildings is granted to the bureau of education. The University of the Philippines, while given no specific building fund, is authorized to use its tuition fees, aggregating ₱200,000 a year, for this purpose. The increase of ₱410,375 in operation is distributed as follows: University of the Philippines, ₱220,000; bureau of education, ₱171,015; private schools supervision, ₱19,360. The total actually authorized increase, therefore, for operation and buildings is ₱1,274,130. As compared with the increases proposed by the various bills introduced, this represents a moderate sum. These appropriations for education, even as thus increased, do not represent, however, an undue proportion of the total budget. This appears by taking the statistics for 1923, the latest year when complete data are available. The expenditures for education by the various government entities, insular and local, represent 23 per cent of the total expenditures for all purposes. The expenditures by the insular government for education represent 28 per cent of the total expenditures for all purposes. This is slightly less than the prevailing percentage in the United States. The appropriations for 1926 do not materially change these percentages. While the proportion of the insular expenditures for education is not undue as compared with insular expenditures for all purposes, still the insular expenditures as compared with the local expenditures are very large. The average percentage of the local

expenditures that goes for education is 15 per cent, as compared with 28 per cent by the insular government. Moreover, of the total expenditures for education the insular government carries 73.5 per cent and the local entities 26.5 per cent.

In addition to specific requests above mentioned for school buildings, operation, and new activities, there were various proposals involving large additional educational expenditures, such as requiring all education supplied by public funds to be absolutely free, fixing the minimum salary of teachers at ₱50 per month, granting 20 per cent increase annually in all salaries every five years, reducing the present small matriculation fee paid by intermediate and high-school students for the support of school libraries and athletics, appropriating ₱10,000,000 for the extension of free elementary schools, creating new schools for the instruction of adult electors in the local dialect, establishing a branch of the University of the Philippines at Albay, Vigan, and Iloilo and making permanent the branch at Cebu, establishing a night school in Baguio, establishing a school of arts and trades in Trinidad, granting insular aid for the establishment of provincial agricultural schools, and making target practice compulsory in secondary schools.

The various requests thus embodied in introduced bills for appropriations for school construction, extension, and support called for funds aggregating not less than ₱48,000,000 and for about ₱2,500,000 for new or extended activities. To meet these large expenditures there were only 10 bills introduced providing for an increase in revenues for school purposes. None of these proposals was enacted into law. Two bills proposed an optional increase of from one-eighth to two-eighths of 1 per cent in the land tax. Other bills proposed a ₱2 tax on each marriage license; 20 per cent tax on admission tickets to cockpits; an increase of ₱1 in the present cedula tax; application of all the present cedula tax to school support; assigning for schools 50 per cent of the income derived from estates confiscated for nonpayment of taxes; authorizing municipal councils to create new taxes on enterprises or occupations carried on therein or upon persons residing therein; setting aside 15 per cent of the annual income of each province for the maintenance of provincial high schools. In addition to the foregoing specific proposals, it should be noted that the continuance of the additional one-half of 1 per cent of the sales tax, while not intended particularly for school purposes, was supported largely as a means of deriving additional school revenue, especially for construction of buildings.

Of the total of 165 bills, approximately 135 were concerned only with appropriation of money, either for specific school projects or general school support. The principal subjects covered by the remaining bills are as follows: Creation of a private school commission to assist the secretary of public instruction in standardization and supervision of private schools; providing for summer classes for pupils who fail during the regular school year and requiring under certain conditions private and public schools to conduct such classes; denying admission to the schools of any pupil who fails two consecutive times in the same year in a secondary school or university; providing for the separation of the sexes in Moro schools and requiring women teachers for Moro girls; authorizing the renting of school buildings to private parties for the purpose of conducting night classes; requiring the approval of the municipal council of the appointment of municipal teachers; empowering the provincial boards to settle disputes between division superintendents and municipal councils; shortening the entire school course to nine years; providing a rearrangement of the primary, intermediate, and secondary course and making the length of the school year 21 weeks; making the long vacation come during June, July, and August; authorizing the granting of regional vacation periods adapted to local agricultural or economic conditions; prescribing five years as the minimum period for the use of textbooks adopted by the textbook board; authorizing the acquisition and publication by the government of manuscripts suitable for school texts, and appropriating ₱1,000,000 for the purchase of machinery, equipment, and supplies for printing textbooks; requiring the teaching of evils of gambling; prescribing instruction in the theory and practice of agriculture in all intermediate grades; requiring target practice of all pupils in the secondary schools and appropriating ₱100,000 to purchase firearms and ammunition; establishing courses in commerce and business; establishing a school of fisheries in connection with the University of the Philippines and appropriating ₱1,000,000 therefor; and pro-

viding for the instruction in or use of the dialects. Of the bills of the last group, there were seven—one making compulsory the teaching of Tagalog in all intermediate and high schools, public and private, for one or two hours in a week; one requiring the teaching of the dialects in the intermediate schools and apparently making compulsory the use of the dialect as the medium of instruction; one making the prevailing local dialect as auxiliary to English in primary and intermediate instruction; one authorizing experimentation in the use of the various dialects with a view of determining their utility as the language of instruction in the primary schools; one providing for the translation of the history of the United States and of the Philippines into the principal dialects to be used for purposes of instruction in public and private schools; one providing for the translation into the native dialects for primary instruction textbooks on grammar, arithmetic, agriculture, mechanics, geography, history, hygiene, and similar subjects. There was also a bill providing for the appointment by the secretary of public instruction of a committee of three to collect and compile the writings of patriotic, civic, literary, or historical character of Dr. Rizal, Mabini, and other Filipino patriots, the material to be used in the public and private schools.

Of the numerous bills introduced affecting education, the following were actually passed by both houses: Authorizing the renting of public-school buildings to private parties to conduct night classes, creating summer classes for students who fail, empowering provincial boards to settle disputes between division superintendents and municipal councils, increasing the list of schools to which municipal and provincial pensionados may be sent, authorizing the acceptance of a donation for the establishment of a rural school in Tayabas, providing for the use of the cedula tax collected in Olengupe and Corregidor for the support of the local schools, and appropriating ₱15,000 for the Benifacie Memorial School. The bills authorizing the renting of public-school buildings was vetoed on the ground that it permitted the use of public property for private purposes; the bill creating summer classes was vetoed as violating the principle of free primary and elementary instruction; the bill empowering provincial boards to settle disputes was vetoed as interfering unduly with independent school administration.

While the tangible results appear small as compared with the extensive proposals, they nevertheless represent a gain. The increase in the appropriation for the operation of the bureau of education will permit of some improvement in the salary of teachers. The additional personnel provided for the supervision of private schools will enable the department of public instruction to improve the educational facilities under private auspices. The additional fund for building purposes will help in meeting the great shortage in the number of school buildings due to the fact that for the past four years the expenditures for school plants have been very greatly reduced. The most distinct gain, however, is the appropriation of ₱395,000 for the ground and building for a training department of the normal school in Manila, and ₱90,000 for a normal school in Pangasinan. The increase of ₱220,000 granted to the university for operation will enable the institution, with proper elimination of duplication and coordination of work, to achieve substantial development in the field of higher education. The setting aside of the tuition fees for building purposes will permit of the inauguration of a consistent program for the adequate housing of the institution.

RECOMMENDATIONS OF THE BOARD OF EDUCATIONAL SURVEY AND ITS COMMISSION

[See appended copy of recommendations]

1. With respect to the recommendations of the board of educational survey and its commission to the bureau of education as enumerated in its report, the greater part of said recommendations, in order to be carried out, call for considerable additional funds. It has not, therefore, been possible, except in a few cases, for the bureau to accomplish more than a careful study of all their phases. Attention is invited to the following brief of the report of the director of education regarding them:

(1) Frequent and systematic inspection of the academic work has been emphasized to the extent permitted by the limited personnel of the bureau.

(2) Tests prepared either in the United States or in the bureau of education show the work accomplished in checking up the academic work. (See

Table No. 20.) Standardized intelligence and achievement tests, found reliable in the United States, have been used in many divisions.

(3) Only one teacher could be detailed to this work owing to limited funds. Tables 21, 22, 23, and 24 show the partial results obtained from child accounting.

(4) Nothing of value can be accomplished here until a position is provided for some one to be detailed full time to curriculum revision.

(5) There was none available for detail to curriculum reconstruction. Attention has been given to inaugurating a program of silent reading, which has been allowed to take the place of drawing and part of industrial studies.

(6) The reorganization and supervision of health activities depend entirely upon additional personnel, which entails additional appropriations.

(7) Attention has been given to the supervision of secondary instruction in so far as the limited personnel of the bureau permits.

2. New minimum standard of qualifications has been set up for elementary school principals, which are the same as those required of supervising teachers, namely: (1) Completion of a secondary course; (2) a junior teacher eligible; (3) three years of professional experience if a graduate of a secondary course not a normal course; (4) two years of experience if a graduate of a four-year normal course; and (5) one year of experience in the case of a graduate of the Philippine Normal School or the College of Education. The teaching experience referred to must have been acquired in the elementary (preferably in the primary) grades.

Division superintendents have also been instructed to raise the minimum requirements established by them for teachers in the past. The opening of additional normal schools is always under consideration, and will be carried out when funds are made available.

3. The assignment to normal schools of better trained Filipino teachers, preferably those educated in the United States, and a greater number of normal trained American teachers has been adopted by the bureau.

4. The bureau of education has begun the revision and simplification of the service manual. It has taken steps toward doing away with such reports and other paper work as are not absolutely necessary.

5. The policy recommended of retaining appointees in their positions had been in effect.

6. Helpful supervision rather than mere inspection has been emphasized.

7. The bureau has begun the experiment of eliminating all final examinations in all schools and adopted the use of the five-point grading scale.

8. Steps have been taken to encourage the study of causes of overageness and retardation. Funds have not been made available to put a greater number of children in schools than in 1924.

9. Principals of secondary schools have shown a decided interest in instituting student government.

10. No effective change can be made until funds are available for the appointment of personnel and supervisor of curricula. The field has been encouraged to use local experimental materials to a greater extent. No tuition fee is charged in vocational secondary schools, and superintendents are urged to assign to such schools well-qualified teachers and to make every effort so as to render them attractive.

11. The same comment just given applies here. Every possible encouragement has been given to make use of local materials according to the pupils' needs. Due to lack of funds, it is not possible to undertake the necessary investigations and studies.

Recommendations to the legislature.—The board has also made several recommendations to the legislature, which may also be seen in the appended copy. It has not as yet been possible to take action on these recommendations.

However, the bureau of education had some of the activities recommended already in operation as far as available funds permitted. For instance, it has always been a part of its policy to provide facilities for the training of teachers. In the summer of 1925 special classes were held in Baguio, Cavite, and Cebu, in which 284 teachers were enrolled in first-year subjects, 564 in second-year subjects, 168 in third-year subjects, and 51 in the fourth-year subjects.

The department agrees with the recommendation of the board of educational survey that private schools be required to maintain standards of equipment and instruction comparable to those maintained by the public schools. The department had made this a requirement in the past, but was unable to enforce it

because of lack of personnel to visit and to supervise the many schools in all parts of the archipelago. With the increased personnel made available for 1926, much more can be accomplished along this line than before, and efforts will be made to see that all recognized private schools maintain reasonable standards. To do this adequately, however, a few more general supervisors are necessary in order that a modern testing program may be carried on.

BUREAU OF EDUCATION STATISTICAL TABLES

SUPERVISION

TABLE 1.—*Annual enrollment and percentage of total population and school population in school*

Year	Annual enrollment, September	Total population	Percentage of population in school	School population	Percentage of school population in school	Enrollment in private schools, July
1920-----	911,986	10,455,180	8.72	2,751,363	33.15	45,386
1921-----	1,047,063	10,608,663	9.87	2,791,753	37.51	53,550
1922-----	1,073,858	10,773,925	9.97	2,835,243	37.88	59,969
1923-----	1,111,742	10,961,168	10.14	2,884,518	38.54	64,729
1924-----	1,111,566	11,142,412	9.98	2,932,216	37.91	67,576
1925-----	1,096,758	-----	-----	-----	-----	72,515

If the enrollment of 67,576 pupils as reported being in private schools is considered, then the percentage of the total population in school in 1924 would be increased to 10.58 per cent and the percentage of the school population in school would be increased to 40.21 per cent.

TABLE 2.—*Schools and teachers in supervisory districts as of September, 1925—Elementary grades*

	Lowest	Median	Highest
Number of—			
Schools-----	2	15	48
Teachers-----	4	47	125

Number of supervising districts, 465.

TABLE 3.—*Number of teachers in 1925 as compared with those in the six years preceding*

Year	Number of teachers	Americans		Increase (+); decrease (—)	Per cent
		Men	Women		
1919-----	17,781	164	189		
1920-----	21,017	118	198	+3,236	+18.2
1921-----	24,181	136	216	+3,164	+15.05
1922-----	24,848	134	202	+667	+2.76
1923-----	25,780	141	188	+932	+3.75
1924-----	26,336	125	197	+556	+2.16
1925 ¹ -----	25,701	114	196	-635	-2.41

¹ September data.

TABLE 4.—Average monthly salaries of Filipino teachers, insular and municipal, for March, 1925, as compared with corresponding averages for each of the six years preceding

Date	Insular		All	Municipal		All
	Regular	Tempo- rary		Regular	Tempo- rary	
March:						
1919.....	P70.67	P54.71	P65.83	P31.42	P29.58	P30.65
1920.....	75.97	60.24	71.76	39.21	35.41	37.86
1921.....	89.92	69.62	84.22	43.44	37.85	41.72
1922.....	98.42	77.66	93.36	44.11	39.10	42.57
1923.....	105.78	82.82	100.85	47.53	44.55	46.71
1924.....	115.73	92.56	111.87	47.64	42.98	46.43
1925.....	118.79	100.90	116.69	49.36	44.25	48.04

ELEMENTARY SCHOOLS

TABLE 5.—Comparative elementary enrollment, promotion, and percentage of promotion for four years

School year	Number of pupils promoted	Annual enrollment	March monthly enrollment	Percent- age of pupils promoted, based on March monthly enrollment
1921-22.....	623,976	1,052,387	897,403	70
1922-23.....	634,325	1,069,148	906,734	70
1923-24.....	663,849	1,091,421	914,967	73
1924-25.....	686,400	1,080,619	908,579	76

A decrease will be noted in the annual enrollment for 1924-25, due to the retrenchment necessitated by overexpansion, lack of financial support, and the closing of schools owing to poor attendance. A decided increase is, however, shown in the number of pupils promoted.

TABLE 6.—Number of primary and intermediate schools and teachers, their enrollment and attendance, as of September, 1924 and 1925

Items	September—		Increase (+) decrease (—)	Per cent.
	1924	1925		
Number of schools.....	7,660	7,336	—324	—4.2
Primary.....	6,550	6,190	—360	—5.5
Intermediate.....	1,110	1,146	+36	+3.2
Number of teachers.....	24,745	23,816	—929	—3.8
Primary.....	19,041	18,044	—977	—5.2
Intermediate.....	5,704	5,772	+68	+1.2
Annual enrollment.....	1,062,115	1,041,395	—20,720	—2.0
Primary.....	888,825	861,535	—27,290	—3.1
Intermediate.....	173,290	179,860	+6,570	+3.8
Average monthly enrollment.....	1,023,550	1,007,208	—16,342	—1.6
Primary.....	857,114	834,497	—22,617	—2.6
Intermediate.....	166,436	172,711	+6,275	+3.8
Average daily attendance.....	951,041	944,011	—7,030	—.74
Primary.....	794,187	780,505	—13,682	—1.7
Intermediate.....	156,854	163,506	+6,652	+4.2

TABLE 7.—*Beneficial results of acceleration by means of mid-year promotions as reported by one Province*

Year	Number accelerated in August and September	Number who dropped out before the close of year	Number who failed	Number who passed in March	Percentage passed of those examined
1923-24.....	253	23	11	219	95
1924-25.....	238	28	6	204	97

TABLE 8.—*Enrollment in incomplete primary schools*

Monthly enrollment September, 1924	Grade			
	1	2	3	Total
Pupils in schools where the highest grade was the second grade.....	55,971	30,840	-----	86,811
Pupils in schools where the highest grade was the third grade.....	36,445	23,403	20,927	80,775
Total ¹	92,416	54,243	20,927	167,586

¹ Batanes not reporting.

Incomplete primary schools are a decided cause of retardation. Children attend, perhaps, the first or second grade in their barrio and some the third grade. Many children rather than enter a higher grade in some other barrio or distant central school drop out for several years, perhaps permanently.

TABLE 9.—*Percentage of total enrollment in primary, intermediate, and secondary grades for six years*

Year	Percentage of monthly enrollment for September, 1925			Year	Percentage of monthly enrollment for September, 1925		
	Primary	Intermediate	Secondary		Primary	Intermediate	Secondary
1920.....	86.52	11.50	1.98	1923.....	81.93	14.43	3.84
1921.....	85.21	12.47	2.32	1924.....	80.03	15.50	4.43
1922.....	83.31	13.66	3.03	1925.....	78.70	16.29	5.01

TABLE 10.—*Number and per cent of pupils withdrawing from elementary grades during four school years*

School year	March annual enrollment	March monthly enrollment	Loss	Per cent of loss
1921-22.....	1,052,387	897,403	154,984	15
1922-23.....	1,069,148	906,734	162,414	15
1923-24.....	1,091,421	914,967	176,554	16
1924-25.....	1,080,579	908,579	172,040	16

TABLE 11.—*Percentage of pupils dropping out of school in each of the elementary grades for the school year 1924-25*

Grade	Per cent of pupils dropped	Grade	Per cent of pupils dropped
I.....	17	V.....	17
II.....	15	VI.....	13
III.....	17	VII.....	11
IV.....	17		

TABLE 12.—*Improvement made in two Provinces in keeping children in school*

School year	Per cent	Dropped	School year	Per cent	Dropped
1917-18.....	38	-----	1921-22.....	-----	21
1918-19.....	28	-----	1922-23.....	24	18
1919-20.....	-----	-----	1923-24.....	-----	17
1920-21.....	27	-----	1924-25.....	22	15

TABLE 13.—*Causes for withdrawal from school as reported by several Provinces*

Causes for pupils dropping out of school	Number of Provinces giving this cause
Poverty of the people; unproductive soil.....	7
Indifference of parents; lack of compulsory attendance.....	4
Economic condition of the people; labor conditions; change of residence.....	3
Indifference of municipal or provincial officials.....	2
Isolation; lack of social intercourse; lack of standards.....	2
Prevalence of malaria, dysentery, diarrhea.....	2
Density of population.....	1
Indifference of teachers.....	1
Opening of grades 1 and 2 in isolated barrios without provision for extension.....	1
Too many pupils per teacher; teaching load too heavy.....	1
Colorum disturbances.....	1
Example of poor attendance of pupils in private schools.....	1

TABLE 14.—*Industrial production of elementary and secondary schools for 1924-25 (excluding agricultural production)*

Courses	Pupils enrolled	Estimated value	Courses	Pupils enrolled	Estimated value
Embroidery and lace making.....	149, 290	P248, 928. 46	Provincial shop.....	564	P23, 659. 26
Basketry.....	95, 121	161, 855. 53	Miscellaneous.....	94, 469	94, 469. 95
Municipal shop.....	13, 287	123, 966. 11	Total.....	356, 043	985, 064. 39
Provincial trade school.....	3, 312	264, 814. 08			

TABLE 15.—*School and home garden and nurseries for the school year 1924-25*

School and home gardens and nurseries, 1924-25	Primary	Intermediate	Secondary	Total
Number of schools with gardens.....	5, 535	894	3	6, 432
Number of pupils with home gardens.....	123, 222	27, 315	221	150, 758
Estimated area of school and home gardens.....	-----	-----	-----	2, 528
Estimated market value of products raised in school and home gardens.....	-----	-----	-----	P899, 216. 36
Number of schools with nurseries.....	2, 866	676	15	3, 557
Number of trees in nurseries at the end of the year.....	-----	-----	-----	282, 588

In 1925 there were club projects and club productions, as follows:

Number of boys' and girls' agricultural clubs.....	1, 766
Number of club members:	
Garden members.....	9, 543
Hog members.....	2, 669
Poultry members.....	12, 455
Fruit members.....	3, 222
Corn members.....	316
Cooking members.....	2, 373
Total.....	30, 578
Number of hogs owned by members.....	6, 535
Poultry owned by members.....	282, 307
Total value of products from projects.....	P432, 173. 19

SECONDARY SCHOOLS

TABLE 16.—*Comparative enrollment and percentage of increase in general and vocational courses for six years based on the monthly enrollment for March*

Course	March monthly enrollment						Percent- age of increase of 1924-25 over 1919-20
	1919-20	1920-21	1921-22	1922-23	1923-24	1924-25	
General	10, 676	12, 072	16, 680	22, 250	27, 591	33, 311	+212
Agricultural	137	705	844	1, 185	1, 463	1, 764	+1, 188
Trade	266	383	558	772	887	1, 014	+281
Domestic science	423	649	804	1, 249	1, 686	2, 303	+444
Normal	1, 843	1, 619	2, 653	3, 825	4, 958	5, 994	+225
Commercial	344	408	403	280	407	536	+56
Nautical	58	61	59	53	43	41	-29
Surveying	40	41	59	60	56	46	+15
Total	13, 787	15, 938	22, 060	29, 674	37, 091	45, 009	226

In September, 1925, there were 102 different schools which offered complete and incomplete courses, as follows:

Offering complete 4-year courses	60
Offering 3-year courses	15
Offering 2-year courses	17
Offering 1-year course	10

In these schools a variety of combinations of courses were being offered, as indicated below:

Offering the general course only	42
Offering the agricultural course only	17
Offering the trade course only	13
Offering the normal course only	7
Offering the nautical course only	1
Offering the commercial course only	1
Offering the domestic-science course only	1
Offering the general and normal courses	4
Offering the general and domestic-science courses	7
Offering the general and commercial courses	1
Offering the domestic-science and trade courses	1
Offering the domestic-science and agricultural courses	1
Offering the domestic-science and normal courses	1
Offering the general, normal, and domestic-science courses	4
Offering the general, normal, and commercial courses	1

TABLE 17.—*Secondary pupils withdrawing during the school year 1924-25*

Year	March annual enroll- ment	March monthly enroll- ment	Pupils with- drawing	Percent- age of pupils with- drawing
First	23, 486	20, 779	2, 707	12
Second	13, 895	12, 669	1, 226	9
Third	7, 642	7, 092	550	7
Fourth	4, 724	4, 469	255	5
Total	49, 747	45, 009	4, 738	10

TABLE 18.—*Promotion of secondary pupils, covering a period of six years*

School year	Pupils promoted	March annual enrollment	Percentage promoted based on March annual enrollment	March monthly enrollment	Percentage promoted based on March monthly enrollment
1919-20.....	10,227	17,204	59	13,787	74
1920-21.....	12,106	19,085	63	15,938	76
1921-22.....	16,273	24,955	65	22,060	74
1922-23.....	21,862	33,248	66	29,674	74
1923-24.....	28,552	41,298	69	37,091	77
1924-25.....	33,490	49,747	67	45,009	74

TABLE 19.—*Promotions of secondary pupils, 1924-25*

Academic year	March monthly enrollment	Promotions	Percentage of promotion based on March monthly enrollment
First year.....	20,779	14,018	67
Second year.....	12,669	9,699	77
Third year.....	7,092	5,700	80
Fourth year.....	4,469	4,073	91
Total.....	45,009	33,490	74

TABLE 20.—*Divisions and schools tested, number of cases, and tests given, September-December, 1925*

Division and school	A. Arithmetic		B. Reading		C. Language and dictation		Total	
	Cases	Tests	Cases	Tests	Cases	Tests	Cases	Tests
Albay: Albay, Polangul, Tabaco, Guinobatan, and Provincial High.....	846	1,692	844	2,532	844	1,688	2,534	5,912
Bohol: Tagbileran, Tubigon, Guindulman, Inabanga, and Provincial High.....	771	1,542	770	2,310	732	1,464	2,273	5,316
Bulagan: Malolos and Polo.....	445	890	443	1,329	275	550	1,163	2,769
Cagayan: Tuguegarao, Aparri and Provincial High.....	579	1,150	579	1,737	580	1,160	1,738	4,047
Capiz: Capiz, Dao, Dumalag, Pontevedra and Provincial High.....	811	1,622	823	2,469	840	1,680	2,474	5,771
Leyte: Tacloban, Carigara, Dulag, and Provincial High.....	867	1,734	879	2,637	896	1,792	2,642	6,163
Misamis: Cagayan, Mambajao, Tagoloan, and Provincial High.....	807	1,614	788	2,364	886	1,772	2,481	5,750
Munoz.....	391	782	379	1,137	346	692	1,116	2,611
Nueve Esija: San Isidro, Cabanatuan, Cuyapo, San Antonio, and Provincial High.....	1,064	2,128	1,044	3,132	1,064	2,128	3,172	7,388
Pampanga: San Fernando, Angeles, Lubao, and Provincial High.....	1,090	2,180	1,070	3,210	1,066	2,132	3,226	7,522
Tayabas: Lucena, Atimonan, Tiaong, and Provincial High.....	787	1,574	759	2,277	799	1,598	2,345	5,449
Union: San Fernando, Aringay, Bacnotan and Provincial High.....	908	1,816	829	2,487	815	1,610	2,552	5,913
Grand total.....	9,366	18,724	9,207	27,621	9,143	18,266	27,716	64,611

TABLE 21.—*Per cent of underage, normal-age, and overage pupils, Philippine public schools, 1925-26*

Age groups	Primary	Inter-mediate	Second-ary	Total
Boys:				
Per cent under age.....	2.12	1.65	1.59	2.00
Per cent normal age.....	28.70	17.08	14.99	25.86
Per cent over age.....	69.18	81.27	83.42	72.14
Girls:				
Per cent under age.....	2.88	2.95	2.88	2.89
Per cent normal age.....	34.88	24.87	22.71	32.88
Per cent over age.....	62.24	72.18	74.41	64.23
Both:				
Per cent under age.....	2.45	2.13	2.04	2.37
Per cent normal age.....	31.37	20.00	17.68	28.80
Per cent over age.....	66.18	77.87	80.28	68.83
Total per cent.....	100.00	100.00	* 100.00	100.00

TABLE 22.—*Causes of overageness—Data from age-grade census, 1925-26 (16 divisions)*

Grade	Causes						Total	
	(a) Late entrance		(b) Withdrawal		(c) Nonpromotion			
	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent
I.....	22,587	59.59	6,204	16.37	9,111	24.04	37,902	100
II.....	18,280	56.85	5,410	16.83	8,463	26.32	32,153	100
III.....	15,559	53.76	4,740	16.38	8,640	29.86	28,939	100
IV.....	12,589	50.42	3,827	15.33	8,553	34.25	24,969	100
V.....	7,919	47.87	2,993	18.09	5,630	34.04	16,542	100
VI.....	5,264	47.83	1,856	16.86	3,886	35.31	11,006	100
VII.....	4,274	48.63	1,455	16.55	3,061	34.82	8,790	100
1.....	2,665	40.81	1,438	22.02	2,427	37.17	6,530	100
2.....	1,595	37.82	1,038	24.62	1,584	37.56	4,217	100
3.....	1,061	37.70	658	23.38	1,095	38.92	2,814	100
4.....	624	42.45	377	25.65	469	31.90	1,470	100
Total.....	92,417	52.71	29,996	17.11	52,919	30.18	175,332	100

TABLE 23.—*Progress of pupils, Philippine public schools (1925-26), survey method*

Progress groups	Primary	Inter-mediate	Second-ary	Total
Boys:				
Per cent rapid progress.....	0.30	2.16	5.35	2.21
Per cent normal progress.....	52.80	33.56	37.89	43.88
Per cent slow progress.....	46.90	63.98	56.76	53.91
Girls:				
Per cent rapid progress.....	25	2.54	4.82	1.89
Per cent normal progress.....	59.27	42.01	47.65	52.49
Per cent slow progress.....	40.48	55.45	47.53	45.62
Both:				
Per cent rapid progress.....	27	2.32	5.12	2.06
Per cent normal progress.....	55.97	37.47	41.97	47.84
Per cent slow progress.....	43.76	60.21	52.91	50.10
Total per cent.....	100.00	100.00	100.00	100.00

TABLE 24.—*Progress of pupils, Philippine public schools (1925-26), corrected method*

Progress groups	Primary	Inter- mediate	Second- ary	Total
Boys:				
Per cent rapid progress	0.44	2.99	4.9	2.26
Per cent normal progress	51.17	50.20	40.89	48.61
Per cent slow progress	48.39	46.81	54.21	49.13
Girls:				
Per cent rapid progress	.59	4.01	5.13	2.45
Per cent normal progress	55.69	45.15	50.63	52.82
Per cent slow progress	43.72	50.84	44.24	44.73
Both:				
Per cent rapid progress	.51	3.38	5.00	2.35
Per cent normal progress	53.34	48.27	45.08	50.02
Per cent slow progress	46.25	48.35	49.92	47.63
Total per cent	100.00	100.00	100.00	100.00

SCHOOL EXPENDITURES

TABLE 25.—*Total insular, provincial, and municipal expenditures for school purposes from January 1 to December 31, 1924*

	Total expend- itures	Expenditures for school purposes	Percentage of which school ex- penditures were of the total
Insular	P67,230,672.77	P15,307,445.76	23
Provincial	26,544,151.08	2,909,016.32	11
Municipal	18,665,536.10	6,313,078.47	34
Total	112,440,359.95	24,529,540.55	22

¹ Excluding the cities of Manila and Baguio, the percentage would be reduced to 6.6 per cent.

TABLE 26.—*Classification of school expenditures for 1924*

	Aid to provin- cial and munic- ipal	Salaries	Outlay	Other expend- itures	Total
Insular	P9,290,642.00	P3,766,652.72	P129,599.58	P2,120,551.46	P15,307,445.76
Provincial		1,509,975.09	339,491.92	1,059,549.31	2,909,016.32
Municipal		2,551,529.07	1,069,401.73	2,692,147.67	6,313,078.47
Total	9,290,642.00	7,828,156.88	1,538,493.23	5,872,248.44	24,529,540.55

¹ Aid to Provinces, P135,000; aid to municipalities, P9,155,642..

TABLE 27.—*Comparative increase of insular, provincial, and municipal school expenditures for 1923 and 1924*

Government	Expenditure, 1923	Expenditure, 1924	Per cent of increase
Insular	P14,440,716.69	P15,307,445.76	6
Provincial	2,657,264.74	2,909,016.32	9.5
Municipal	5,104,551.06	6,313,078.47	23.7
Total	22,202,532.49	24,529,540.55	10.5

TABLE 28.—*Voluntary contributions for the school year 1924-25*

Form in which received	Amount	Devoted to—	Amount
Money.....	P651,385.32	Buildings and grounds.....	P800,293.41
Materials.....	355,557.91	Athletics.....	105,183.87
Labor.....	216,495.40	Salaries.....	103,717.52
Land.....	65,886.80	Libraries.....	103,213.63
Miscellaneous.....	41,477.95	Miscellaneous.....	98,604.20
		Balance on hand.....	119,790.75
Total.....	1,330,803.38	Total.....	1,330,803.38

TABLE 29.—*Total governmental public-school expenditures and expenditures per capita and per pupil for five years*

Year	Total expenditures	Per cent of increase (+) or decrease (—)	Expenditure per capita	Expenditure per pupil
1920.....	[P18,211,539.70	-----	P1.75	P19.97
1921.....	22,301,718.29	+22.45	2.10	21.30
1922.....	22,068,939.58	—1.05	2.05	20.55
1923.....	22,202,532.49	+0.60	2.03	19.97
1924.....	24,529,540.55	+10.48	2.20	22.07

THE VOCATIONAL SECONDARY SCHOOLS

TABLE 30.—*Schools of agriculture as of March, 1925*

Type of school	Total number	Annual enrollment, March, 1925	Area		Animals	Value of school products
			Culti-vated	Total		
Agricultural.....	14	2,900	1,158	6,338	10,355	P209,703.71
Farm.....	14	2,505	204	440	3,307	62,314.13
Settlement.....	290	18,374	1,381	5,845	4,419	116,329.10
Total.....	318	23,779	2,743	12,623	18,081	388,347.01

TABLE 31.—*Enrollment in normal schools and normal courses for the school year 1925-26*

School	Monthly enrollment, September, 1925				
	Aca-demic course	Home eco-nomics course	Super-vising teachers' and principals' course	Provin-cial and second-ary nor-mal course	Total enrollment
Philippine Normal School ¹	1,181	196	41	-----	1,418
7 provincial normal schools.....	-----	-----	-----	3,076	3,076
10 secondary normal courses.....	-----	-----	-----	2,120	2,120
Total.....	1,181	196	41	5,196	6,614

¹ Prior to June, 1925, the entrance requirements were completion of at least the first year of a secondary course. Beginning with June, 1925, completion of 2 years of a secondary course has been required.

TABLE 32.—*Enrollment for three years in the school for the deaf and the blind*

Year	Boys	Girls	Total
1923-----	56	30	86
1924-----	64	28	92
1925-----	72	31	103

TABLE 33.—*Enrollment in the American school for three years*

Year	Number of students enrolled	
	Day school	Night school
1923-24-----	402	322
1924-25-----	548	379
1925-26-----	473	460

THE PHILIPPINE HEALTH SERVICE

The internal organization of the Philippine health service remained practically the same throughout the year under review. The only changes effected were the reorganization of the division of the city of Manila, with a view of better facilitating the various health activities, and the coordination of the functions of the section of licenses and permits into one distinct division. The latter work had been previously handled by the local health stations. In the Provinces eight new sanitary divisions were created. The structure of the provincial division, however, continued unchanged.

As to the medical personnel, 91 additional positions were filled in 1925, the largest increase being in the position of presidents of sanitary divisions. The office of the assistant director of health remained vacant. The clerical personnel suffered no important changes.

The figures which were compiled and made the basis of this report represent the vital returns from 23 Provinces. A complete record of the corrected statistics from all Provinces will be found in the final report of the director of health. The numerical data herein submitted, however, are sufficiently comprehensive and typical for the purposes of this report.

In general, the health situation in 1925 throughout the archipelago was satisfactory. With the exception of the cholera epidemic, which occurred during the latter part of the year, no other epidemics broke out. The improvements recorded in the various activities of the service will be better appreciated by an examination of the statistics contained in this report.

The following tables show the population, marriage rates, birth rates, crude death rates, and infant mortality, by years, in the whole archipelago, in the Provinces, and in Manila:

Table showing population, marriage, birth and death rates, and infant mortality, by years, 1903 to 1925, inclusive

IN THE WHOLE ARCHIPELAGO¹

Years	Estimated population ²	Rates per 1,000 population			Infant mortality per 1,000 births
		Marriage	Birth	Death	
1903-----	7,721,268	(³)	(³)	42.70	(³)
1918-----	9,876,658	15.52	34.57	36.63	262.52
1920-----	10,259,325	15.27	34.50	19.68	161.20
1921-----	10,465,822	13.61	34.39	19.59	169.67
1922-----	10,547,249	12.85	35.02	19.10	155.58
1923-----	11,067,117	13.34	35.00	18.49	148.24
1924-----	11,234,409	13.43	33.95	20.34	161.92
Average of 5 years-----	10,714,784.4	13.69	34.37	19.44	159.16
1925 ⁴ -----	6,004,578	15.86	36.06	20.58	170.71

¹ Corrected statistical figures, some of which may be slightly different from those in previously published reports.

² After 1903 the population for any particular year includes that of Manila and those Provinces that submitted their vital returns.

³ No available complete data.

⁴ Only 26 Provinces were considered, since the vital returns of the other 23 are not as yet complete.

Table showing population, marriage, birth and death rates, and infant mortality, by years, 1903 to 1925, inclusive—Continued

IN THE PROVINCES ¹

Years	Estimated population ²	Rates per 1,000 population			Infant mortality per 1,000 births
		Marriage	Birth	Death	
1903.....	7,499,946	(³)	(³)	42.71	(³)
1918.....	9,593,416	15.43	34.64	36.43	258.82
1920.....	9,967,827	15.08	34.24	19.48	159.28
1921.....	10,170,196	13.43	34.19	19.41	167.39
1922.....	10,247,495	12.71	34.77	18.95	154.16
1923.....	10,763,235	13.19	34.63	18.28	146.53
1924.....	10,926,399	13.28	33.63	20.16	160.64
Average of 5 years.....	10,415,030.4	13.52	34.29	19.26	157.46
1925 ⁴	5,692,440	15.73	35.39	20.40	170.98

IN MANILA ¹

1903.....	221,322	(³)	(³)	42.28	(³)
1918.....	283,243	18.46	32.07	43.67	397.56
1920.....	291,498	21.80	43.27	26.30	213.02
1921.....	295,626	19.83	41.47	25.49	234.16
1922.....	299,754	17.69	43.68	24.09	194.24
1923.....	303,882	18.80	48.04	26.01	192.08
1924.....	308,010	18.65	45.35	26.94	195.65
Average of 5 years.....	299,754	19.33	44.39	25.77	204.98
1925.....	312,138	18.17	48.20	23.87	167.02

¹ Corrected statistical figures, some of which may be slightly different from those in previously published reports.

² After 1903 the population for any particular year includes that of Manila and those Provinces that submitted their vital returns.

³ No available complete data.

⁴ Only 26 Provinces were considered, since the vital returns of the other 23 are not as yet complete.

The cholera epidemic referred to above started with the occurrence of a real case on September 12. From that time on the infection spread so rapidly that in less than two weeks the epidemic reached its highest point. In the city alone there were registered during the year 240 cases, with 69 deaths. From Manila the epidemic spread to the neighboring Provinces of Rizal, Bulacan, Pampango, Nueva Ecija, Laguna, Bataan, Romblon, and Mindoro. Happily, due to the vigilance of the quarantine officers, the southern islands were duly protected. It is estimated that about 700 cases, with over 400 deaths, were registered in all the Provinces. The remedial and prophylactic measures adopted were the establishment of emergency hospitals and anti-cholera vaccinations. The following tables will show the estimated and itemized cost of the campaign and the number of inoculations made:

STATEMENT OF EXPENSES FOR ANTICHOLOERA CAMPAIGN FROM SEPTEMBER TO DECEMBER, 1925

	Total
Salaries and wages.....	P10,760.83
Traveling expenses and per diems.....	3,892.02
Transportation allowances.....	332.66
Anticholera vaccines.....	66,190.00
Mixed anticholera and antityphoid vaccines.....	72,302.00
Other supplies and materials.....	29,399.81
Furniture and equipment.....	2,843.55
Total.....	185,720.87

Number of inoculations made

Places	With pure cholera vaccine	With mixed typho-cholera vaccine		
		First injection	Second injection	Third injection
Manila.....	150,284	218,088	157,478	86,193
Provinces.....	938,939	410,049	202,024	-----
Total.....	1,089,223	628,137	359,502	-----

As to the other communicable diseases, the following tables are self-explanatory:

Number of cases and deaths from some important communicable diseases, Manila, 1925

Year	Cholera		Typhoid		Dysentery		Smallpox		Diphtheria		Malaria	
	Cases	Deaths	Cases	Deaths	Cases	Deaths	Cases	Deaths	Cases	Deaths	Cases	Deaths
1920.....	22	2	642	235	576	265	5	1	50	10	-----	67
1921.....	133	33	676	239	356	155	3	0	58	20	151	61
1922.....	70	22	1,295	327	251	124	0	0	53	15	119	36
1923.....	0	0	1,057	270	284	115	0	0	35	15	105	28
1924.....	1	1	745	215	239	147	2	1	61	25	195	50 ¹
1925.....	240	69	587	171	195	124	1	1	54	16	204	59 ¹

Incidence rate per 10,000 population from some important communicable diseases, Manila, 1925

Year	Cholera	Typhoid	Dysentery	Smallpox	Diphtheria	Malaria	All tuberculosis
1921.....	4.50	22.87	12.04	0.10	1.96	5.11	79.49
1922.....	2.34	43.20	8.37	0	1.84	3.97	63.92
1923.....	0	34.78	7.37	0	1.15	3.46	76.28
1924.....	.03	24.19	7.76	.07	1.98	6.33	94.25
1925.....	7.69	18.81	6.25	.03	1.73	6.54	91.46

Death rates per 10,000 population from some important communicable diseases, Manila, 1925

Year	Cholera	Typhoid	Dysentery	Smallpox	Diphtheria	Malaria	All tuberculosis
1921.....	1.12	8.08	5.24	0	0.68	2.06	51.25
1922.....	.73	10.91	4.14	0	.50	1.20	49.84
1923.....	0	8.89	3.78	0	.49	.92	59.96
1924.....	.03	6.98	4.77	.03	.81	1.62	55.61
1925.....	2.21	5.48	3.97	.03	.51	1.89	53.36

Death rates per 10,000 population from some important communicable diseases, Philippine Islands (including Manila)

Year	Cholera	Typhoid	Dysentery	Smallpox	Diphtheria	Malaria	Pulmonary tuberculosis
1921.....	0.05	2.55	9.31	0.72	0.24	28.18	24.71
1922.....	.07	1.92	7.50	.02	.14	25.78	23.92
1923.....	.01	1.81	6.38	.004	.16	21.81	24.33
1924.....	.03	1.68	7.37	.005	.16	23.29	24.18
1925 ¹	.44	-----	-----	-----	-----	-----	-----

¹ Figures not final, as data from Provinces are subject to correction.

Death rates from beriberi per 10,000 population in the Philippines

1921	1922	1923	1924	1925
15.719	15.426	16.355	16.624	(¹)

¹ Reports from the Provinces not yet complete.

During the year, 15,101 yaws cases were treated. Pampanga, Albay, Cavite, Laguna, Ilocos Norte, and Zambales registered 382 cases of goiter. Nine Provinces reported infection from filaria, and 4,973 new cases of intestinal parasites and hookworms were examined and treated. Of the latter, 95 per cent were completely cured by carbon tetra-chloride treatment.

The hospital program inaugurated in the previous year was carried out along the same general lines. The hospitals operated in 1925 were:

Hospital	Bed capacity	Location	Date of operation
Tayabas Provincial Hospital.....	35	Lucena.....	Jan. 2, 1925
Laguna Provincial Hospital.....	8	Santa Cruz.....	Jan. 2, 1926
Pangasinan Provincial Hospital.....	35	Dagupan.....	Aug. 8, 1925

The following hospitals are under construction and will be ready for operation sometime this year:

Hospital	Bed capacity	Location
Occidental Negros Provincial Hospital.....	35	Bucolod.
Ilocos Sur Provincial Hospital.....	8	Vigan.
Bohol Provincial Hospital.....	8	Tagbilaran.

The following funds have been actually transferred to the Provinces for hospital purposes:

Province:	Amount actually transferred	Province:	Amount actually transferred
Tarlac.....	₱26, 739. 75	Nueva Ecija.....	₱13, 891. 41
Batangus.....	4, 020. 00	Pangasinan.....	42, 553. 00
Bohol.....	18, 982. 38	Tayabas.....	39, 346. 38
Ilocos Sur.....	4, 020. 00		
Laguna.....	16, 110. 04	Total.....	208, 729. 16
Occidental Negros.....	43, 066.20		

The following table shows the cost of the hospitals constructed and completed in 1925:

Names	Total cost	Insular aid	Provincial aid
Tayabas Provincial Hospital.....	₱65, 577. 30	₱39, 346. 38	₱26, 230. 92
Laguna Provincial Hospital.....	26, 850. 06	16, 110. 04	16, 740. 02
Pangasinan Provincial Hospital.....	70, 921. 66	42, 553. 00	28, 368. 66

There were in operation in 1925, 1,059 dispensaries throughout the islands. A new type of dispensary will soon be completed in Rizal, which will serve as a model. In general, the present dispensaries are inadequately equipped.

There are at present 32 laboratories under the Philippine health service and 2 under the bureau of science.

The policy of the Governor General in employing public-health nurses to take the place of sanitary inspectors is being followed. In Manila there are now 19 public-health nurses and 101 in the Provinces. The latter are distributed as follows:

Albay.....	4	Cotabato.....	2
Antique.....	1	Davao.....	2
Batangas.....	7	Ilocos Norte.....	1
Bohol.....	1	Ilocos Sur.....	3
Bukidnon.....	1	Iloilo.....	2
Bulacan.....	11	Isabela.....	1
Cagayan.....	4	Laguna.....	7
Camarines Norte.....	1	La Union.....	2
Camarines Sur.....	2	Misamis.....	2
Capiz.....	2	Mountain Province.....	4
Cebu.....	3	Nueva Ecija.....	3

Nueva Viscaya-----	2	Sorsogon-----	1
Occidental Negros-----	8	Sulu-----	2
Pampanga-----	6	Surigao-----	1
Pangasinan-----	6	Tarlac-----	4
Rizal-----	3	Zamboanga-----	3
Samar-----	1		

Four health centers are in operation in Manila, and these are largely attended by prospective mothers and children. A total of 307 consultations was held during the year. The attendance was 11,129, of which 7,734 were children, 232 prenatal cases, 2,894 postnatal, and 219 other than mothers and children. Of the 2,227 patients registered during the year, 1,813 were children, 1,160 mothers, and 105 other cases. A total of 2,973 minor surgical treatments was performed.

The work of school hygiene accomplished during 1925 was as follows:

Total number of pupils inspected north of the Pasig River-----	41,682
Total number of pupils inspected south of the Pasig River-----	22,509
Total number of pupils found with defects (north and south of the Pasig River)-----	39,110
Total number of pupils found free from defects (north and south of the Pasig River)-----	25,081
Total number of treatments at the clinics north of the Pasig River-----	27,544
Total number of treatments at the clinics south of the Pasig River-----	19,029
Total number of cases examined in the dental clinics-----	5,758
Total number of cases treated-----	5,407
Total number of cleansings-----	2,095

In industrial hygiene the following inspections were made:

Number of factories inspected-----	75
Total number of inspections made in these factories-----	3,375
Other establishments-----	58
Total number of inspections made in these establishments-----	204
Number of laborers physically examined in 26 factories-----	2,922

The following tables show the number of sanitary permits and licenses issued during 1925:

Specifications	Ap- proved	Disap- proved	Total
Sarisari-----	2,622	1,000	3,622
Native wine-----	2,317	471	2,788
Refreshments-----	472	382	854
Barber shops-----	516	235	751
Total-----	5,927	2,088	8,015

Specification	1919	1920	1921	1922	1923	1924	Average of 6 years ending 1924	1925
Sanitary orders:								
Issued-----	363	426	493	373	477	602	455.7	620
Completed-----	304	306	443	460	410	492	402.5	441
Canceled-----	3	24	9	103	19	47	34.1	36
Building plans approved-----	963	1,111	1,640	1,952	1,195	1,163	1,315.1	1,194
Buildings completed-----	117	332	365	744	614	625	466.1	862
Permits for minor building constructions:								
Approved-----	233	481	1,007	1,054	1,132	1,053	826.7	1,429
Disapproved-----	44	46	77	183	218	277	140.8	363
Permits for light and mixed material structures:								
Approved-----	906	926	1,004	353	653	949	779.1	1,318
Disapproved-----	294	447	398	105	182	335	293.5	327
Plumbing:								
Permits issued-----	1,240	1,226	1,420	1,506	1,537	1,757	1,447.7	2,370
Projects completed-----	1,139	1,053	1,288	1,486	1,296	1,397	1,376.5	2,112

The following table shows the activities of the pension and retirement board:

Number of meetings held.....	5
Number of persons retired, 1925.....	14
Number of persons retired, 1924.....	2
Total deposits made to insular treasury.....	P50,814.60
Accounts payable.....	P4,787.95
Refund to provincial treasurers on account of erroneous deposits made.....	367.70
	5,155.65
Total available for disbursement.....	45,658.95
Payments to pensionaries.....	P16,786.85
Less deduction on above on account of 3 per cent on basic pay.....	839.14
Total net payments to pensionaries.....	15,947.71
Balance of pension fund available.....	29,711.24

The following table shows the activities of the board of food inspection:

Number of meetings held.....	31
Number of individual hearings.....	170
Number of licenses canceled.....	10

Kind of food	Number of samples	Found		For human consumption	
		Adulterated	Mis-branded	Fit	Unfit
Aerated water.....	176	4	7	166	4
Liquors.....	35	10		25	10
Dairy products.....	209	39	30	170	39
Fruits, nuts, etc.....	167	7	15	160	7
Bakery products.....	179	91	22	88	91
Confectionery products.....	672	98	27	574	98
Sea foods.....	3,515	264	10	3,311	204
Meats and meat products.....	257	19	13	238	19
Sauces and spices, etc.....	96	48	57	48	48
Vegetables.....	138	10	15	128	10
Beverages.....	193	14	17	179	14
Miscellaneous.....	44	3	2	41	3
Total.....	5,675	547	215	5,128	547

The board of embalmers held five meetings and one theoretical examination in which four candidates were examined. None of these candidates submitted to the practical test.

The following table shows the distribution of assorted vaccines and sera:

Sera or vaccines	On hand Jan. 1, 1925	Received during 1925	Distributed during 1925	Balance Jan. 1, 1926
Antidiphtheric serum.....unit.....	460,000	4,500,000	4,825,000	135,000
Antitetanic serum.....do.....	200,000	3,837,000	3,557,000	480,000
Antidysenteric serum.....amp.....	55	1,300	1,262	93
Normal horse serum.....do.....		338	338	
Cholera serum.....do.....		25	25	
Gonococcus vaccine.....do.....		895	895	
Streptococcus vaccine.....do.....		106	106	
Mixed cholera-typhoid.....c. c.....	162,040	1,492,710	1,594,750	
Cholera vaccine.....do.....	92,290	2,034,960	2,127,250	
Typhoid vaccine.....do.....	20,880	132,590	146,340	7,130
Fresh vaccine virus.....unit.....	24,000	2,420,000	2,340,000	103,700
Dried vaccine virus.....do.....	100	1,107,250	1,050,450	56,900

The following tabulation shows the activities of general sanitation in 1925:

Number of inspections made of premises.....	107,603
Number of inspections made of stores and factories.....	5,691
Number of houses ordered cleaned.....	1,389
Mosquito campaign:	
Number of houses inspected.....	123,864
Number of breeding places found.....	56,524
Number of breeding places corrected.....	53,779
Number of pools oiled.....	46,387
Number of wells oiled.....	6,496
Number of catch basis oiled.....	20,712
Number of obstructed street basis oiled.....	52,359
Number of square meters of marsh areas oiled.....	2,936,165
Number of ditches oiled.....	73,125
Number of other breeding places oiled.....	8,925
Fly extermination campaign:	
Number of stables inspected.....	2,015
Number of stables ordered cleaned.....	306
Number of markets inspected.....	377
Number of other places inspected.....	7,358
Rat extermination:	
Number of rats caught.....	53,262
(None found positive for plague bacillus.)	
Disinfections:	
Number of houses.....	70,443
Number of public buildings.....	148
Number of stores.....	7,643
Number of factories.....	155
Number of schools.....	88
Number of markets.....	194
Number of stables.....	1,929
Number of public closets.....	1,938
Number of other places.....	11,613
Water disposal:	
Number of sewer connections made.....	225
Number of septic vaults constructed.....	151
Number of plumbing fixtures installed.....	10,600
Number of sanitary toilets installed.....	126,000
(Of these 480 were of the septic tank and the rest modeled after the Antipolo system.)	
Water supply:	
Number of new artesian wells drilled.....	200
Number of surface wells dug.....	2,000

During the year there were held besides the district conventions two regional conventions in Luzon. No regional conventions were held in the southern islands. District health officers were, however, directed to hold periodical conferences in their respective districts. Thus 22,000 lectures were given in schools, town plazas, and other places of gathering.

The Rockefeller Foundation continued to cooperate with the Philippine Health Service along the line of malaria control. The sum of ₱5,000 was appropriated by the legislature for this work. A representative of the foundation has been detailed to work on the engineering and entomological aspects of the investigation. During the year 1925 this representative continued his work in the municipalities of Porac and Floridablanca as well as in La Mitra, Pabanlag, and Carmencita, of the Province of Pampanga. In his report for the first half of the year he summarized the situation and stated that *Anopheles minimus* was most predominant in La Mitra and Porac, which are located close to the foothills of Zambales Mountain Range. The sandy nature of their stream beds, with clear flowing water, seems to favor the breeding of the *minimus* specie. *A. ludlowi* seems to prefer the more slowly flowing, clear water of rivers, streams, etc., while *A. barbirestris*, which is almost as widely distributed as *A. resili*, is prevalent in both stagnant and flowing water. *A. hyrcanus* is found in the still water of rice fields and pools and in slowly flowing streams. *A. fuliginosus* and *A. filipinensis* were found to be the least prominent among the anopheles species.

The result of the control work by means of Paris green has been apparently satisfactory and seems, so far, to be the best method to cope with the breeding

places of mosquitoes in the islands. This is indicated by the entire absence of pupae and the relatively small number of mature larvae collected in the control areas during the inspection.

The yearly per capita cost of malaria control, based on the costs of transportation, inspection, equipment, labor, and larvicide at Porac and Floridablanca, was estimated to be 76 centavos and 77 centavos, respectively.

The result of the examination of blood film taken at Floridablanca during May, 1925, shows that, out of 929 smears, 32, or 3.45 per cent, were positive of malarial parasite, while previous to the control operation, out of 910 smears, 152, or 17.87 per cent, were parasite positive.

The foundation has also sent to these islands a representative to work on rural sanitation. Besides the funds made available by the Rockefeller Foundation, the Philippine Legislature set aside ₱20,000 for the operation and organization of model rural sanitation. The field being extensive for him, he thought advantageous and profitable to devote his time exclusively to the school medical inspection. During the year he devoted most of this work in the Province of Bulacan.

The Senate in 1925 approved a bill appropriating the sum of ₱200,000 annually for five years for the construction, maintenance, and purchase of a suitable site for an insane asylum. Unfortunately, this bill was not acted upon by the lower house. However, an item was included in the 1926 appropriation act for public works which reads as follows:

"For an insane asylum to be established in accordance with a plan to be approved by a committee composed of the secretary of public instruction, as chairman, and the secretary of finance, the director of public works, the director of health, and the public welfare commissioner, as members, the latter also to act as secretary of the committee, ₱180,000.00."

The activities falling under this item will be fully discussed in the annual report for 1926. The following table shows, however, the movement of the insane patients in the San Lazaro Hospital during 1925:

Total insanes at the beginning of the year	470	
Admissions during the year	541	
		1,011
Deaths during the year	74	
Transferred during the year	65	
Discharged during the year	333	
Escaped during the year	2	
		474
Total insane at the end of the year		537
Total expenditures for the insane department of San Lazaro Hospital during the year		₱80,748.15

The following tables show the activities during 1925 in the Culion leper colony and the San Lazaro Hospital:

Statement showing the movement of population in Culion leper colony in 1925

Number of inmates at the beginning of the year	5,330	
Admissions during the year	464	
Readmissions during the year	14	
Births during the year	82	
		560
		5,890
Deaths during the year	385	
Discharges including children	225	
Transferred to San Lazaro Hospital	2	
Escaped	11	
		623
Number of inmates remaining at the end of the year:		
Americans		5
Europeans		1
Chemorros		11
Chinese		18
Japanese		1
Filipinos		5,231
Total		5,267

Statement showing the number of colony inmates who underwent antileprotic treatment during 1925

Number of inmates receiving intensive treatment.....	3,021
Rendered negative.....	165
Paroled.....	70
Discharged.....	34

Table showing the results of antileprotic treatments in Culion during 1925

Compound or drug used	Total under treatment	Percentage		
		Improved and negative	Stationary	Worse
Iodized ethyl ester.....	1,195	84	8	8
Iodized and cresotated ethyl ester.....	673	81	8	11
Mercade mixture.....	487	75	10	15
Wightiana oil, pure.....	380	76	10	14
Minor drugs and treatment.....	286			

Statement showing the movement of leper patients in San Lazaro Hospital during 1925

Total number at the begining of the year.....	517
Admissions during the year.....	438
	955
Discharged during the year.....	470
Paroled.....	172
Discharged with certificates (negative and suspects).....	151
Escaped.....	3
Transferred to Culion and elsewhere.....	107
Died.....	34
Released under bond (to China).....	3
Total number remaining at the end of the year.....	485
Total expenditures for the leper department of San Lazaro Hospital.....	P79,708.59

Table showing the number of lepers receiving antileprotic treatments in San Lazaro Hospital during 1925

Compounds used	Daily	Weekly	Bi-weekly	Tri-weekly	Total
Chaulmoogra ethyl esters with $\frac{1}{2}$ per cent iodine.....	21	93	167	332	613
Mercado mixture.....	0	0	7	0	7
Mixed treatment.....	0	0	13	0	13
Ketonina.....	0	0	4	0	4
Eparseno.....	0	0	0	1	1
Tryparsamide.....	0	10	0	0	10
Doctor Reitz's treatment.....	0	0	1	0	1
Total.....	21	103	192	333	649

The results of the above antileprotic treatments are as follows:

Rendered microscopically negative only.....	106
Rendered microscopically and clinically negative.....	77
Paroled.....	134

Statement showing the average cost of per capita subsistence per day

(a) Culion leper colony:	
Lepers.....	P0.27
Employees=	
First class.....	2.50
Second class.....	1.5
Third class.....	.7
Fourth class.....	.3
(b) San Lazaro Hospital.....	.3

The total insular appropriation of the service for the year 1925 was ₱3,360,-796.63 and the expenditure ₱3,334,476.53. The per capita cost during the year was ₱0.292 against ₱0.287 during 1924 and ₱0.284 during the average of the past five years ending December 31, 1924.

BUREAU OF QUARANTINE SERVICE

The internal organization of the bureau suffered no changes during 1925. The functions, as in previous years, were carried out along the same lines. The usual preventative measures were adopted: Incoming and outgoing vessels were inspected, fumigated, and disinfected. The passengers and crew were indiscriminately vaccinated, especially those coming from infected areas. The following table is a comparative statement of the transactions at the several ports and quarantine stations of the Philippine Islands for the years 1924 and 1925:

Comparative statement of transactions at ports and quarantine stations for the years 1924 and 1925

	Fiscal year	
	1924	1925
MANILA		
Vessels inspected from United States ports.....	217	235
Vessels inspected from foreign ports.....	611	601
Vessels fumigated and disinfected.....	217	207
Vessels held in quarantine.....	5	0
Crew inspected on arriving vessels.....	73,678	83,652
Cabin passengers inspected on arriving vessels.....	15,625	17,449
Steerage passengers inspected on arriving vessels.....	21,508	30,643
Seamen examined for licenses.....	342	499
MARIVELES		
Vessels at the station for treatment.....	42	19
Vessels fumigated and disinfected.....	10	19
Crew bathed and effects disinfected.....	146	46
Passengers bathed and effects disinfected.....	1,175	20
Persons detained in quarantine.....	1,029	0
Number of pieces of baggage disinfected.....	3,428	894
Vessels inspected from United States ports.....	11	7
Vessels inspected from foreign ports.....	57	92
Vessels fumigated and disinfected.....	41	128
Crew inspected on arriving vessels.....	3,563	8,340
Cabin passengers inspected on arriving vessels.....	62	663
Steerage passengers inspected on arriving vessels.....	843	1,951
Seamen examined for licenses.....	0	230
ILOILO		
Vessels inspected from United States ports.....	6	3
Vessels inspected from foreign ports.....	49	60
Vessels fumigated and disinfected.....	124	104
Crew inspected on arriving vessels.....	2,915	6,402
Cabin passengers inspected on arriving vessels.....	87	1,007
Steerage passengers inspected on arriving vessels.....	23	1,340
Seamen examined for licenses.....	85	199
CAVITE		
Vessels inspected.....	33	5
Crew inspected.....	3,669	3,904
Passengers inspected.....	1,487	808
OLONGAPO		
Vessels inspected.....	11	6
Crew inspected.....	968	310
Passengers inspected.....	0	0
JOLO		
Vessels inspected.....	29	42
Crew inspected.....	1,803	3,400
Cabin passengers inspected.....	125	152
Steerage passengers inspected.....	602	1,088
ZAMBOANGA		
Vessels inspected.....	59	49
Crew inspected.....	2,607	3,014
Cabin passengers inspected on arriving vessels.....	422	313
Steerage passengers inspected on arriving vessels.....	509	451

The salient feature of the year under review was the inauguration by the United States Government of a quarantine district with the chief of the quarantine service for the Philippine Islands as its director. The district designated as the "Quarantine District of the Orient" comprises Japan, the entire China coast, including French Indo China, the Federated Malay States, Siam, Burma, India, all of the islands to the south included as the East Indies, and Australia. Medical officers are stationed in the various ports throughout this district supervising, from a sanitary standpoint, not only shipping destined for the continental United States but all shipping destined for the Philippine Islands, as well as all passengers embarking for the Philippine Islands. This organization of the Orient, as a sanitary district, is of inestimable value to the Philippine Islands, and although a very considerable amount of money is spent by the United States Government for its maintenance, the Philippines derive the chief benefit therefrom.

In addition, the United States Government has designated the chief quarantine officer for the Philippine Islands as a delegate to the Far Eastern Congress of the League of Nations in order that the Philippines may derive, without cost to themselves, any benefits or advantages which may accrue as a result of this organization.

Under the league, there has been established at Singapore a central clearing house for information regarding communicable diseases throughout all the Far East, and weekly cable reports are received in this office regarding the disease status of practically every port of importance throughout the Orient. Not only is information available regarding the status of each port but special cable or wireless communications are sent out regarding each ship on which any case of epidemic disease is discovered. In addition, the chief quarantine officer for the Philippine Islands receives weekly reports from all American consuls regarding the sanitary and health status of each consular port of district. This information is available at all times for the benefit of the Islands and is an administrative and financial burden borne entirely by the United States Government.

It is difficult to evaluate the benefits derived from these sources of information since through them there are available at all times at the quarantine office the most up-to-date reports regarding disease conditions in all oriental ports and, also detailed information regarding the sanitary status of all vessels plying in foreign traffic throughout the Orient.

The quarantinable diseases are anthrax, cholera, leprosy, plague, smallpox, typhus fever, and yellow fever. The other diseases, although not classified as quarantinable, are handled in a different manner.

The presence of smallpox throughout the year covered by this report along the China coast, especially in Amoy, demanded a very close watch lest this disease might find entrance in the Philippines and cause an epidemic. Accordingly a systematic vaccination campaign was undertaken and for this purpose an officer was detailed at Amoy and Hongkong. As a result no smallpox was reported in any incoming passenger.

The Orient, with the exception of India, was remarkably free from plague in 1925. Due to the distance of the Indian ports from the Philippine Islands, the problem was not a serious one. This dreadful disease made its last appearance in the Philippines in 1923, and it is fervently hoped that with the safeguards employed and the constant watch of the quarantine personnel the islands will continue to be free from this malady. That the responsibility thus placed upon the bureau of quarantine service is a difficult one, needs no comment. The enormity of the task will be better appreciated when considered with the fact, that unlike other diseases, the source of infection presents an entirely distinct problem. Reference is made to the rodent menace. There are a number of chances for plague-infected rats to gain admission to any port unless the vessel and its entire cargo can be rendered free of rats before being unloaded. With the present-day facilities for destroying rodents on vessels and in cargo, this has proven impracticable to date on account of the expense as well as the unusual delay entailed by such a procedure. It has been proposed to erect a disinfecting chamber behind the breakwater, into which cascos and lighters loaded with suspected cargo might be placed and fumigated for the destruction of rats before being permitted to be taken up the Pasig River. Arguments for and against this procedure are numerous, but under present conditions the erection and operation of such a plant would, it is believed, greatly minimize the danger of plague infection gaining a foothold in the Philippine Islands. It is generally conceded that the only absolutely safe procedure is to fumigate these vessels immediately upon

arrival before any cargo is discharged, and it is hoped that eventually some method, or some fumigant, may be discovered which can be used with greater facility and safety than those now in use. Sulphur, as a fumigant, is not suitable for destroying vermin in cargo, as it damages many articles and is not as penetrating as is desirable where packages are tightly closed. Cyanogen chloride gas has so far proven effective but is expensive and dangerous, and requires the removal of all persons from the vessels before fumigation on account of the danger from this gas. When typhoon weather prevails, as it does for many weeks in each year in the Philippines, such a procedure as the removal of the entire crew can hardly be demanded and expensive delays would continually occur.

The problem is a serious one but one which this department is confident will be solved satisfactorily, in view of the studies now in progress. In the meantime, measures are being taken at all ports of entry to minimize, to as large an extent as the appropriation and the personnel of the quarantine service will allow, the possibility of reinfection with plague. Vessels arriving from plague-infected ports are fumigated each trip. Vessels on regular runs are required to be fumigated once each 3 months, or, if from known clean ports, not less than twice in each year. The same demand is made of all vessels in the interisland service. These are required to undergo fumigation twice each year and more often if the vessel is found to be unusually rat infected. The masters of all craft are advised that if there appears to be an unusual rat infestation, fumigation should be requested at the earliest possible date, regardless of how recently the vessel has been fumigated. By this procedure, the rat population of vessels is always kept at a minimum and at least one of the means for the transmission of plague is obviated. In carrying out these measures for the prevention of the introduction and spread of bubonic plague, 468 vessels were fumigated in the Philippine Islands during the past year.

The epidemic of cholera in Manila and Provinces during the latter part of 1925 caused no little comment that the subsequent outbreaks in China and Japan were due to infection from the islands. No reliable proof, however, has been presented to substantiate the charge. The Philippine epidemic originated undoubtedly in the islands. Accordingly, outgoing passengers, especially the steerage passengers, were required to demonstrate their freedom from cholera organisms. Stool specimens were taken and examined by the bureau of science. A total of 7,944 persons were examined. Thirty-six were found to be cholera carriers and were treated at the San Lazaro Hospital. The same measures were adopted in the case of incoming passengers during the Shanghai and Japan epidemics. Seven were found positive and held for treatment at the San Lazaro Hospital.

As to the other diseases no known cases have been registered. The interisland and the consular quarantine were likewise fairly administered. The former concerns the inspection of vessels and their crews and passengers engaged in the domestic trade and the latter, vessels bound for ports of the United States and dependencies. Ordinarily, domestic vessels are not required to report for quarantine inspection unless cases of illness are known to have developed on board. In 1925, during the cholera epidemic in Manila, vessels leaving for Cebu and Iloilo were required to undergo inspection before the passengers were allowed to disembark. As a rule interisland vessels are required to be fumigated twice a year. This requirement was not followed in some instances at the scheduled time owing to the delay in the delivery of fumigating materials.

Consular quarantine embraces the granting of bills of health to vessels, supervision of vessels while being loaded, the periodic fumigation and disinfection of vessels, supervision and inspection of crews before sailing, examination and inspection of departing passengers, vizing of ship's papers, and, in general, maintaining a continual surveillance over each vessel and its personnel while in port. For comparative purposes the following table covering the years 1924 and 1925, is submitted:

Comparative statement of bills of health issued for the years 1924 and 1925

Municipalities	Fiscal year—		Municipalities	Fiscal year—	
	1924	1925		1924	1925
Manila.....	996	965	Jolo.....	46	71
Cebu.....	238	261	Cavite.....	37	14
Iloilo.....	190	216	Olongapo.....	4	1
Zamboanga.....	136	158			

The other functions of the quarantine service are the medical inspection of arriving aliens and the physical examination of all applicants for licenses as officers on vessels documented in the Philippine Islands. In 1925, 8,581 aliens were examined, as against 7,814 in 1923 and 1,315 in 1917, and of these 37 certifications were issued for ringworm of the scalp, 38 for hookworm and similar parasites, and 4 for blindness. These figures were slightly more than those of the previous years. As to marine examinations, the total number at all ports in 1925 was 928.

The problem of equipment remained unsolved. Particularly in the water crafts was the need for improvement keenly felt. The launch at Iloilo was out of commission for a considerable portion of the year. The Cebu launch is likely to break down soon, and of the several launches operated in Manila, only one is in fair condition. The disinfecting plant at Cebu has been un-serviceable for the past five years, and the cabin passenger barracks at Mariveles were torn down to prevent accident, as the building was in a dilapidated condition. While the serviceable equipment is fairly satisfactory for certain types of work, the principal activities of the quarantine service are greatly hampered by the lack of more improved and adequate facilities. Additional equipment, both floating and structural, is imperatively needed. It is to be hoped that this vital problem will be brought home to the members of the coming legislature and that the request for funds to be made by this department for the purpose in the next budget will meet with favorable action.

The following is a financial statement for 1924 and 1925:

Financial statement for the years 1924 and 1925

Appropriation or allotment	1925	1924
Debits:		
Appropriation for fiscal year.....	P152,944.00	P153,429.00
Allotment by emergency board.....	2,333.42	2,187.52
Total available for the year.....	155,277.42	155,616.52
Credits:		
Expended during the year.....	135,026.70	139,744.53
Balance fixed assets allotment carried forward.....	451.83	1,192.60
Reverted to treasury unexpended.....	19,798.89	14,679.39
Total.....	155,277.42	155,616.52
Collections:		
Collection for year.....	4,497.40	1,498.87
Deposited in treasury to unappropriated surplus.....	4,497.40	1,498.87

SUPERVISION OF PRIVATE SCHOOLS

The year saw the opening of 73 schools. The following table shows a detailed statement of the number of the different kinds of schools as compared with the number of those of last year:

	1924			1925			Increase (+) or decrease (-)
	Recogn- ized	Permit- ted	Total	Recogn- ized	Permit- ted	Total	
Primary.....	227	27	¹ 254	220	30	250	-(4)
Intermediate.....	153	24	² 177	146	40	186	+9
High schools.....	111	31	³ 142	136	33	169	+27
Collegiate.....	24	4	28	24	7	31	+3
Nursing schools.....	8		8	8		8	
Optical schools.....					2	2	+2
Technical schools.....	19	3	⁴ 22	19	3	22	
Special schools.....			⁽⁵⁾	4	4	8	+8
Total.....	542	89	631	557	119	676	+45

¹ Fifteen primary schools were closed.

² Nine intermediate schools were closed.

³ Three high schools were closed.

⁴ One was closed in 1924.

⁵ Three special schools should have been counted in 1924; hence the total number of schools should have been 634 instead of 631.

The enrollment of students for 1925 was 82,526, which shows a gain of 12.5 per cent, as compared with 73,246 in 1924. The comparative statement of enrollment for these years follows:

	1924-25	1925-26	Increase (+); decrease (-)
Primary.....	36,467	38,812	+2,345
Intermediate.....	11,701	13,771	+2,070
High school.....	19,406	23,335	+3,930
Collegiate (A. A. and A. B.).....	1,558	1,393	-(165)
Technical schools.....	3,741	4,130	+389
Optical schools.....	---	38	+38
Nursing schools.....	393	427	+34
Special schools.....	(1)	619	+619
Total.....	73,246	82,525	+9,280

¹ Enrollment in special schools last year was included in the enrollment in the high schools.

The considerable gain of 20.7 per cent in high-school attendance was the result of the establishment of 27 new high schools and the opening of 43 additional secondary grades. The great demand for this kind of instruction was due largely to the increasing number of graduates from the elementary public and private schools who could not be accommodated in the public high schools. Another factor that gave an impetus to the establishment of private high schools was the fact that it was more remunerative to conduct them than any of the other branches.

The curricula for the lower grades and for the high school remained similar to those of the bureau of education as far as the fundamental subjects were concerned. The high-school courses, however, offered some difficulty, especially that for the intermediate grades. The time within which the intermediate course is covered should either be extended or the course be abolished. The night intermediate pupils, having more subjects to carry, stay longer in the classroom than the night high-school students. Since the night students are, as a general rule, working students, very little learning of doubtful benefit can be expected under such conditions. As regards the curricula for the higher branches, the minimum standard requirements remained unchanged.

Industrial instruction as a part of the ordinary courses for the lower grades was carried on as usual, but more regularly attended to. The year, however, saw the opening of a trade high school under the auspices of the German Fathers. The same thing may be said as regards physical education, it now being a part of the program of every private school. A signal accomplishment in organized athletics was made in 1925 through the organization of an athletic association among the schools of northern Luzon. The association held its first meet in December with a well-put-up schedule enthusiastically and successfully fulfilled. It is hoped that in the near future similar associations will be created in other parts of the islands.

The building up of school libraries received greater and better attention from the authorities of private schools. Reports submitted so far show that there have been acquired 51,865 additional books. The number of subscriptions to periodicals increased from 1,232 to 1,910. A number of annuals of creditable make-up were published. Several large schools continued publishing school monthly papers in which literary contributions both from the students and from the instructors appeared. There are healthy signs of the growing enthusiasm to aid the students, not only in widening their sphere of information but also indirectly raising the standard of their reading ability.

Although on the average the scholastic attainments of private-school instructors were in 1925 as high as those of the public schools and of the University of the Philippines, yet, due to part-time employment, the services rendered by them were, and are at present, of questionable efficiency. Then, too, in the lower grades a number of schools continued to employ student teachers, and as a result the standard of instruction in these schools was rather low. Another drawback of the private schools in securing the services of competent teachers lies in the short tenure of the employment. As a practice the private schools employ teachers on temporary basis, and naturally at the beginning of every school year they have a number of new teachers. During the year an

attempt was made to do away with the services of student teachers, but due to lack of sufficient personnel a relatively few schools were visited and advised accordingly.

Attention was given to the proper keeping of students' records. The 1925 reports on high-school and college graduates confirmed this statement, as there was but a very negligible number of irregularities detected as compared with those found in similar reports in previous years.

At the beginning of the year the personnel of this office consisted of one superintendent, one assistant superintendent, three supervisors, one of whom acted as the senior clerk at the same time, and two clerks. Early in February one of the supervisors was detailed to work with the educational survey commission as one of the research associates, and it was not until late in April that he was returned. In June the superintendent of private schools went on an extended leave of absence. Later on, at the beginning of the school year, the assistant superintendent and the two supervisors who were detailed temporarily for the work were withdrawn by the bureau of education. At about the same time, however, the two supervisors provided for in the 1925 budget were appointed, and the undersecretary of public instruction was placed in charge of private schools. Thus, at the opening of schools last June, there were but four who were actually put in control to inspect and supervise private schools, and of these only two were devoting full time to inspection and supervision. Considering the big number of private schools and the large territory within which they are located and distributed, not to say of the opening of a great many new ones which demand special attention on the part of the supervisors, it is therefore apparent that the 1925 personnel was extremely inadequate to cope efficiently and effectively with the work. Nevertheless, because of previous experience gained by the newly appointed supervisors in the service of the bureau of education, and of the experience of the other members of the personnel gained in previous years in the very work, and of the cooperation of the directors of private schools, without which all efforts would have been almost futile, the affairs of the private schools were fairly satisfactorily administered. A detailed statement of the personnel as at present constituted is found in the first part of this report.

Respectfully submitted.

ALEJANDRO ALBERT,
Undersecretary of Public Instruction, in Charge.

THE BOARD OF EDUCATIONAL SURVEY

RECOMMENDATIONS TO THE BUREAU OF EDUCATION

As administrative procedures which it is within the power of the educational authorities to carry out now or which will be possible as the result of enactment of new provisions by the legislature, as recommended above, the board recommends:

1. That the bureau of education shall provide sufficient and competent personnel in the academic division for the adequate carrying on of the following types of work:

(a) The frequent and systematic inspection of the academic work of the schools of the various Provinces through traveling staff members of the bureau.

(b) The annual checking up of the academic work of the schools by the use of reliable standardized tests.

(c) The periodic inventory of all aspects of child accounting—studies of age-grade distribution of pupils, of failures, promotion, elimination, and retardation. A special investigator, trained in the modern technique of school administration, should be placed in charge of this work.

(d) The continuous and scientific revision of the curriculum, based on studies of social needs and the interest and aptitude of children.

(e) The thorough study of the language problem, oral and written, looking to the development of a sound program of phonic instruction and to the inauguration of a program of silent-reading methods.

(f) The organization and supervision of health activities and of physical education in the schools.

(g) The direction and supervision of secondary education.

2. That a definite policy be adopted of appointing to a teaching position after an announced and early date no person without definite preparation for teaching; that this required preparation shall be four years in a normal school of secondary grade, except in Provinces where it is clearly impracticable to require so long a training period; that the 22 existing teacher-training institutions be strengthened and made thoroughly professional, and that academic high schools be transformed into normal schools in a number sufficient to carry out the program of teacher training.

3. That the American personnel be concentrated in the normal schools; that in selecting American teachers, so far as possible each be selected for a specific position and because of his fitness to fill that position; that a means of selection be devised which shall make this possible, recognizing that a considerable expenditure in this work will be an ultimate economy.

4. That the service manual and general orders supplementing it be revised and simplified, giving definite information to the field staff as to their responsibilities and the latitude allowed them in adaptation of school work to local needs; that only such reports be required as are useful for administrative planning and operation, and that these be annual and summary rather than frequent and detailed, wherever practicable; that the bureau of education use its influence to bring about the proposed simplification of general government procedure.

5. That a change of policy be inaugurated in the direction of keeping appointees longer in a single position; that transfers be made only for cause, and that it shall be the reasonable expectation of every person that he will remain in his position so long as he is successful, except as definite promotion be offered.

6. That throughout the system the contacts of superiors with subordinates shall emphasize helpful supervision rather than inspection.

7. That the final examinations of the bureau be abolished and that a more valid system of marking the work of pupils be put into operation.

8. That the academic division shall at an early date set in motion an exhaustive study of the school population. This should include an accurate school census, a complete age-grade analysis, a study of the causes of over-age-ness, and analysis of failures, nonpromotion, and repetition of grades. The study should eventuate in a definite program for getting all children of normal age into school at an early date, for holding them in school, and for guaranteeing their regular movement through the grades.

9. That methods of instruction and school management and school work in civic education take account of the necessity for giving to the children some practice in self-control and self-government.

10. That school materials be chosen in the light of their social utility, disregarding the traditions of academic nature which have guided curriculum construction in the past; that on the secondary level the rural high school be made the basic type, and every effort be made to attract to such schools a large part of the students now attending secondary schools of the academic type.

11. That the materials of the curriculum shall be reconstructed and regarded to fit the needs and stages of growth of the young people of varying interests and aptitudes.

RECOMMENDATIONS TO THE LEGISLATURE

In concluding its study of the educational system of the Philippine Islands, the survey board desires to bring together at one point those major recommendations which will require legislative action and those which, being administrative in character, are within the power of school authorities to carry out. Although many of these recommendations will require years for their complete fulfillment they should be undertaken without delay. Upon their adoption by the Philippine Legislature and by the bureau of education the success of the survey will depend. The board is convinced that if the bureau of education is provided with the necessary legislative support it will insure the execution of the policies outlined.

With the hope, therefore, that the responsibility for carrying out its recommendations will be placed squarely on the present administrative personnel of the bureau, the board recommends to the legislature—

1. That increased revenues for the schools be secured by raising the real property from seven-eighths to 1 per cent and by permitting an additional

levy of one-half of 1 per cent on real estate and an increase of the cedula tax, the entire income from which increased taxes should be devoted to educational purposes.

2. That there be created in the bureau of education, through adequate budgetary provision, a professional and supervisory staff composed of individuals properly qualified to provide leadership in teacher training, supervision, curriculum construction, academic education, rural education, industrial education, household-arts education, and health education; that sufficient funds for salaries and traveling expenses be provided; and that the instructional materials developed by the members of this staff be regarded as government property.

3. That facilities for the professional training of teachers adequate to provide for all new appointments to teaching positions in elementary schools by 1929 be provided.

4. That the support of the academic high school be thrown entirely upon the Province, with the option that the cost of instruction be borne by tuition charges, or out of provincial funds, or by a combination of the two.

5. That an adequate salary be assigned to the director of education; that the present salary law be amended by increasing the salary at present provided; that the appointment of the director be either for an indefinite term of years or for a definite term of at least five years.

6. That the director of education, subject only to the limitations of his budget and to the approval of the department head, be clothed with the power to appoint and promote all members of his staff, and that he be held entirely responsible for the efficiency of his administration.

7. That the recommendations made by the committee of the bureau of education for simplifying reports and records be adopted.

8. That a reasonable provision be made in the budget of the bureau of education for the establishment of an increased number of evening schools of standard grade.

9. That private schools be required to maintain standards of equipment and instruction comparable to those maintained by the public schools, and that adequate provision be made in the budget of the department of public instruction for the inspection of these schools.

10. That pending the inauguration and completion of a special study of the distribution of insular funds for the current support of schools, the regulations in force in 1920 be revived, being first applied to the distribution of increased sums made available, in such a manner that in returning to the base indicated no Province shall receive a reduced allotment, except as a decrease in all appropriations may be found necessary.

11. That the distribution of insular aid for the purchase of school sites and the erection of buildings be placed on a basis similar to that employed in certain public works such as waterworks, artesian wells, and irrigation system.

12. That in the selection of textbooks the schools return to the method formerly in use of making this selection a professional function, and that the director of education, through the guidance of a professional board, be made directly responsible for the textbooks used in the schools.

13. That the general principle of large insular aid to schools embodied in the thirty-million peso act be continued and that the funds thus secured be used to improve the quality of instruction, to develop a superior professional and supervisory staff, to study the problem of language instruction, to develop a curriculum adapted to the needs of Filipino children, and to improve the facilities for the training of teachers. That until these objectives are satisfactorily realized, no extension of the school system be contemplated.

14. That the composition of the board of regents of the University of the Philippines be modified by transferring the two legislative members to the board of visitors, dropping the representative of the university council, and adding to the three ex-officio members and the two alumnus representatives four members to be appointed by the Governor General, by and with the advice and consent of the Philippine Senate.

15. That a stable income for the University of the Philippines be assured by setting aside for this purpose a definite percentage of the insular revenues.

16. That an appropriation be made to the University of the Philippines to provide for the proper housing of its present activities and for its future

growth, such appropriation to be available in annual installments during the next five years.

17. That health supervision in the schools be made a specific function of the bureau of education.

**REPLY OF THE SECRETARY OF PUBLIC INSTRUCTION TO THE
CONCURRENT RESOLUTION OF THE PHILIPPINE LEGISLATURE
REQUESTING AN EXPRESSION OF VIEWS ON THE SURVEY OF
THE EDUCATIONAL SYSTEM OF THE PHILIPPINE ISLANDS**

SEVENTH PHILIPPINE LEGISLATURE, FIRST SESSION (H. Ct. R. No. 6)

[Concurrent Resolution No. 5]

Concurrent resolution requesting the department of public instruction for an expression of views regarding the recommendations of the educational survey board

Be it resolved by the House of Representatives, the Philippine Senate concurring, That the secretary of the department of public instruction be requested, as it is hereby requested, to submit to the legislature his views on the recommendations contained in the Report of the Educational Survey Board.

Adopted, August 10, 1925.

We hereby certify that the foregoing concurrent resolution was adopted by both houses of the legislature on August 10, 1925.

(Sgd.)

FAUSTINO AGUILAR,

Secretary of the Senate.

(Sgd.)

R. GONZALEZ LLORET,

Secretary of the House of Representatives.

THE GOVERNMENT OF THE PHILIPPINE ISLANDS,

DEPARTMENT OF PUBLIC INSTRUCTION,

Manila, September 18, 1925.

To the Senate of the Philippine Islands (through its Honorable President) and to the House of Representatives of the Philippine Islands (through its Honorable Speaker):

In compliance with the request contained in Concurrent Resolution No. 5, adopted August 10, 1925, I have the honor to submit to the legislature the views of the department on the recommendations contained in the report of the educational survey board. These recommendations are divided into two groups: Those requiring legislation, and therefore addressed to the legislature, and those capable of being carried out by administrative action, and therefore addressed to the bureau of education. While the resolution confines itself to the recommendations of the survey board, still, since these recommendations are based upon the detailed discussions and recommendations of the commission, the views herein expressed will relate to the general conclusions and recommendations of major importance in the entire survey. It is obvious that the greater portion of the educational survey deals with pedagogical problems and addresses itself to the administrative officials in charge of the educational affairs. Comparatively little legislation is recommended, but it is of a very essential and fundamental nature and has reference, first, to additional financial support and to providing methods therefor, and second, to certain changes in existing laws relating to educational administration. For the information and guidance of the legislature, however, in determining the need of the recommended legislation, or the need of legislation in the future, it is desirable to set forth the views of the department with respect to some of the major considerations contained in the survey and to indicate to what extent the bureau of education and the department have carried out, or are attempting to carry out, the various suggestions and recommendations.

At the outset it should be fully recognized that an educational survey, to be helpful, should be critical rather than merely descriptive and commendatory. The educational survey is critical, but it is also highly appreciative and commendatory. While pointing out the weaknesses and shortcomings of the educational system, it also calls attention to the substantial achievements and regards these as remarkable. In dealing with such a document, which is essentially and properly critical, there should always be kept clearly in mind the things actually accomplished and now being accomplished in education.

It is also well to keep in mind that in any educational survey there may possibly be omissions, inaccuracies, and inconsistencies, but the presence of these and any irritation they may cause should not be permitted to destroy the value of the entire document nor obscure the value of what is sound and constructive. We are confronted with an educational problem of enormous proportions and of unusual complications. Its solution will require the utilization of the best advice obtainable and the exercise of patience, discrimination, and sound judgment. It is a problem which can not be solved in one generation. Much has been done, but much more remains to be done. The task of establishing a modern educational system, of extending even the rudiments of learning to the mass, of making the school an effective instrument in improving the general and economic conditions of the people, is only well begun. The educational survey attempts to evaluate the achievements, to point out some of the fundamental shortcomings and weaknesses, and to offer suggestions and recommendations designed to facilitate a more effective realization of the aims of the educational system. Some of these suggestions and recommendations can be carried out soon; others will require considerable time, and all will necessitate a most careful utilization of funds now available and the providing of additional funds.

Without attempting to take up in the precise order in which they appear in the survey, the following comment is offered upon what are deemed some of the matters of major importance. In the course of these comments the views of the department will be expressed upon the important suggestions and recommendations of the entire survey.

EXTENSION OF EDUCATIONAL FACILITIES

This is the most important problem with which the educational survey deals and in which the people of the islands have the keenest interest. Its wise solution will determine not only whether the present educational facilities can be made to yield more satisfactory results but also whether educational facilities to be later developed will be able to meet with reasonable efficiency the needs of the community.

In keeping with the principles of a democracy, there has been adopted the ideal of universal education. An earnest effort had been made for its realization. The belief of the people in this ideal has been manifested by the enactment of the "Thirty million-peso Act" of 1918 and by the liberal appropriations for education from year to year. It can be taken as settled, therefore, that as rapidly as the resources of teachers and money become available and as rapidly as is consistent with reasonable educational efficiency, the policy is to extend to all children educational facilities of the extent and kind which they are capable of utilizing. How rapidly the progress will be in this extension is primarily a legislative question. In dealing with it the legislature is entitled to the best professional advice obtainable from its officials in charge of educational administration and from any other competent source. The legislature manifested its desire for such advice when it authorized the educational survey and when it requested the views of this department upon this survey. In all that is said, therefore, in the survey and in the department's comments thereon, the effort has been to set forth what is deemed to be a sound policy with respect to the major problems of education.

It must be recognized that the existing strong demand for more school facilities will continue, and will grow stronger, especially for facilities in the higher grades. The more advanced the educational facilities sought, the more influential will be the forces seeking their establishment. Higher education tends constantly to thrive at the expense of the lower. It should also be recognized that a too rapid and premature yielding to the demand for school extension will prevent the much-needed improvement of existing facilities and the development of essential types of education. There is a substantial danger that this demand will force the pursuing of the ideal of universal education at a rate which may defeat the achievement of the real object of education. In a commendable earnestness to have every child in school there is a great risk of having none of them educated, or at least of failing to attain for them that minimum of educational achievement which is essential for a democratic government.

It will be said by some that a public-school system maintained by public funds must be adequate for all and that no discrimination can be justified.

As an abstract principle, this is true. But, keeping in mind the realities of the present situation and considering the probable available resources of money and teaching personnel, discrimination will necessarily exist and school facilities will not be adequate for some time for all the children. This discrimination exists to-day and has existed since the establishment of the present school system. Only about one-third of the children entitled to go to school can be accommodated with the present facilities. It is estimated that to provide school facilities for all the children will require annually from thirty to forty million pesos in addition to the amount already being spent. Even assuming that the money were available, the teaching personnel does not exist and can not be prepared for many years. The department believes in the ideal of universal education and desires to see it realized at the earliest practicable date. It is of the opinion, however, that its immediate or early attainment is not feasible. Efficient education for a number commensurate with facilities will do more to bring about an early realization of the ideal than a premature expansion to limits inconsistent with reasonable efficiency.

Since, therefore, the existing discrimination must continue for some time, it becomes a question as to what is a sound policy to be pursued with respect to educational extension. It would be unfortunate, if not disastrous, if there should be a yielding to the pressure for more schools before the present schools are made fairly efficient for the great mass of children in the lower grades.

At this point, it is well to observe that, in discussing the efficiency of facilities already in operation or to be put into operation, the standards insisted upon are not the highest nor those of an ideal school system. They are standards of average reasonable efficiency and it is by these standards that the present system is judged.

It is found by the survey that the public-school system has expanded more rapidly than is consistent with reasonable efficiency; that it has far outrun its resources in trained personnel; and that requisite quality has been sacrificed to quantity. Gauged not by the highest but by average standards, the schools are not now attaining for many of the children the essential minimum results, and the money being spent upon many of them is not being wisely spent. The cause for the shortcoming is in the main attributable to expansion that has been too rapid and too extensive for essential efficiency. The responsibility for the shortcoming is not chargeable to any one individual. It is a condition which has come about in the development of the system and which may arise in any educational system developed as rapidly as this one. In the very laudable ambition to establish a system of universal education and to bring educational opportunity to all at an early date, the legislature, the educational authorities, and other officials have yielded to the legitimate, strong, and persistent pressure for schools. This expansion is now an accomplished fact. It is unnecessary to discuss how far it was justifiable and educationally sound. The wise thing now is to realize that it has resulted in certain fundamental weaknesses which, instead of being perpetuated and aggravated by further extension, should be removed through essential reforms.

The expenditure of money and energy involved in the extension up to the present time has not, however, been wholly wasted. The survey recognizes that there are definite achievements to be accredited: 600,000 children have been given a primary education, 200,000 have been carried to the completion of the intermediate grades, and 20,000 children have finished the high school. In addition, there are the achievement of the University of the Philippines and of the private schools.

What is important, however, and of great significance is the following situation which the survey sets forth: Notwithstanding the thousands of children who have completed the primary, intermediate, and high school, there are many more thousands who have left the school before they have attained any substantial or abiding results, and many thousands who have been repeating the work several times. It is primarily with respect to these thousands that the expenditure of money and effort has not been productive of satisfactory results and with respect to whom fundamental improvements in the system should be promptly made if future expenditures are not to be wasted. The great mass of children have been getting only one or two years of schooling. The conclusion of the survey that this short period gives no satisfactory results is sound. In no school system, and especially not in the Filipino school system, should it be expected that a child can be educated, even in an elementary

way, in two or three years. In the United States, where compulsory education prevails, a minimum of eight years of schooling is generally made compulsory. If, therefore, it is desired to get essential minimum results from the educational system, retention rather than expansion is the most pressing need. The retention of those already in school for a longer period and improvement of the instruction given them rather than the bringing of more children in the school is, considering the present financial and personnel resources, the policy which the department recommends that the legislature should adopt.

The survey finds that four years of schooling is the minimum period necessary to attain essential and abiding results and that five years would be better. The achievement of this minimum period should be given definite precedence in the program of educational development. In setting four or five years of schooling as the essential minimum, reference is had to the immediate objective to be sought. Eventually this objective should be not less than six years. Preferably it should be seven. If there is to be a wide diffusion of that amount of education essential for the maintenance of a popular government, the mass of the children should ultimately be given six grades of schooling and they should be required to complete such grades.

It should be recognized, however, that the retention for a longer period requires some expansion. It means that two and three grade schools must be converted into four and five grade schools, and the four and five grade schools into five and six grade schools. The expenditure of money and effort should be definitely and deliberately toward converting the existing two and three grade system into a four and five grade system and improving the instruction therein. It should also be recognized that in improving the instruction by providing more and better teacher-training facilities considerable extension of primary school facilities will result. But this extension will be incidental merely to the development of the teacher-training program and is not the primary object sought. More numerical extension for the sake of increasing existing enrollment is not now educationally sound or desirable.

The adoption of this policy does not necessarily require the curtailment of the existing school facilities in the higher levels, although some curtailment would greatly expedite the effecting of much-needed improvements, especially in teacher-training facilities. It does require, however, that the maintenance and expansion of educational facilities in the higher levels should not be at the expense of the development of an essential minimum of efficient primary and elementary education. It means also that the insular government should gradually place upon the local governments or upon the individuals benefited the expenses of certain types of secondary education.

FUNDAMENTAL PRINCIPLES OF PUBLIC EDUCATION

That the policies just set forth are essentially sound and are not in violation of democratic principles, will appear from a brief statement of the fundamental principles underlying the public system of education. These are well known but a restatement may tend to clarify the situation and to indicate the direction in which the educational program, so far as it is carried by the insular government, should proceed.

A system of public schools is based upon the fundamental proposition that for the sake of the individual himself and for the sake of the society to which he belongs, he should come, in a systematic way, into possession of a sufficient portion of human knowledge to enable him to meet adequately his own personal needs and to discharge properly his social obligations. It is important to keep clearly in mind that education serves both an individual interest and a social interest, and that the social interest is always paramount. So far as the state is concerned, the primary aim of education is to prepare the individual to exercise the right of suffrage intelligently and to perform the duties of citizenship fully and honestly. Public education is primarily an instrument of self-preservation. The individual is educated at public expense, not for his own sake primarily, but for the security of the state. There is no right to be educated at the expense of the state. A minimum of educational achievement, both in extent and quality, is essential if this primary interest is served. Beyond this minimum the public interest is less significant but none the less important. The problem of a system of public schools involves, therefore, the education of the entire group up to a certain level and the providing of opportunities for smaller groups beyond this level. When we speak of the uni-

versity of educational opportunity which a democracy should provide, we have in mind not merely an opportunity for the sake of the individual but a minimum prerequisite for the safety of the government. Within this minimum, opportunity and obligation are identical. The state should provide this minimum opportunity and the individual should utilize it. The undertaking to supply education beyond this minimum is based upon a larger and more general conception of social interest. How much the government will undertake will depend upon its resources and how broad and substantial the social interest is. The supplying of educational facilities at the expense of the state should run no further than the social interest in education may fairly be said to exist in substantial degree, and preference should be given to the primary grades where the social interest is greatest. Up to a certain level, equality and universality of educational opportunity should be the aim, but beyond this level, the democratic principle does not require universality. The educational system should be open from bottom to top for those of ability. All children are entitled to an opportunity to enter the doors of the public schools, with an even chance. But the upper reaches and levels in education will depend upon aptitude, ability, and fitness. As we ascend the educational scale, selection and elimination take place, either as a result of inherent conditions, economic or personal, or as a result of the application of some educational policy. But quite apart from the natural elimination which occurs in any educational system, it is doubtful whether the public obligation for universal education should extend beyond those levels which represent that degree of educational achievement deemed essential for the stability and effective functioning of the state, and whether beyond those levels, educational opportunity should be open to any except those who, by aptitude and ability, are able to utilize the opportunity with profit to themselves and to the community.

Whatever the ideal might properly be, the government, having regard to its economic resources, should not attempt the impossible. Here in the Philippines we have set up the ideal of universal education. Worthy as this ideal is, its wise pursuit calls for much deliberation and some discrimination. It is not within the limits of the practical to expect that all of the children of the community will be passed through the system of education from the primary school to the university. This result, even if desirable, is unattainable, due to economic considerations and to the inherent inequalities of capacity and fitness of the persons to be educated. Some place down the scale, a line must be drawn. Up to the level indicated by that line all children have a right to be educated, and the state, for its own security, has a right to demand that they acquire this amount of education. Above that level, however, the social interest in education becomes much less. The individual interest predominates and the promotion of this interest may properly be left largely to individual initiative and support. Only so far as the community interests are definitely served by education beyond this level can the public-school system justify the expenditure of public funds.

Without attempting to fix precisely the level up to which the universality of educational opportunity should be provided at the expense of the public, the department believes that, as regards the present imperative educational needs in the Philippine Islands, the recommendation of the survey is sound and should be followed.

Beyond the level above indicated, the providing of educational opportunity at public expense should be governed by the nature of the public interests which need to be promoted and the extent to which the education supplied will promote those interests. In general, those interests lie largely along the line of training in vocations for which the community has a real need. In the field of what we call secondary education and even somewhat below this level, the decided tendency should be upon the supplying of vocational knowledge and the preparation for productive activities.

CHANGE IN THE TYPE OF SECONDARY EDUCATION

The survey board finds that the present system of secondary schools, almost exclusively of an academic character, is developing a far larger class of purely academically trained persons than can be absorbed, and that the continuation and extension of unlimited and free secondary education of a purely academic character will result in social and political discontent, as well as economic loss. Although 31 of the 85 secondary schools are vocational schools of one type or another, and although 7 of the 8 curricula

offered in these schools are vocational curricula, 70 per cent of the pupils registered are enrolled in the academic courses. Statistics clearly indicates that in the field of secondary education, the academic high school largely predominates and that the academic courses have in them more than two-thirds of the secondary students. The department regards this as an unsound and unsatisfactory educational situation. So far as the present type of academic secondary education is concerned, the department believes that there should be no further extension of it; at least, not until other more pressing needs are adequately met and other types of education are better developed. The expenditure of both local and insular funds for secondary education should be devoted largely for a number of years to developing a type of secondary school more vocational in character. Moreover, every incentive should be created to turn the tide of secondary students from the academic to the vocational school. While the existing academic high schools need not necessarily be curtailed, some of them could, with great advantage, be converted into normal schools, and unless increased appropriations are provided they will have to be so converted, if needed teacher-training facilities are acquired. The support of the academic high schools should as rapidly as feasible be thrown upon the province or upon the persons utilizing them. Substantial tuition fees, approximating the cost of instruction, should be charged, providing, however, free scholarships for poor students of genuine ability. High academic standards should be insisted upon in these schools. Admission should be opened only to those who, after adequate educational tests, are found fitted to pursue with success this type of education.

Instead of further extensions of the existing type of academic high school, the board recommends that a new type of school be developed, essentially agricultural in its interests and aims, and located on a regional rather than on a provincial basis. This proposal calls for considerable study and experimentation. It is likewise intimately related to the other recommendation, discussed later, concerning the development of a staff in the central office of the bureau of education. With such a staff made available, the necessary experimentation and development can be undertaken. The department is clearly of the opinion that the decided emphasis in secondary education should be upon the development of industrial and agricultural schools of a type which will meet the local economic needs and turn out pupils trained to be economically productive. Moreover, this type of school will, for many of the children of the islands, represent the completion of their formal education. In the Philippines, no more than in the United States, will it be found either feasible or desirable to attempt to carry the mass of children through the entire educational system from bottom to top. After passing the general academic training of the elementary grades there should be provided various educational avenues down which children may go. Most of these avenues should lead to productive vocations. A few will lead to the institutions of higher learning. The determination of the lines of school activity beyond the elementary stage and the development of types of secondary education appropriate to the economic needs of the community and the nature of its resources, are problems confronting the bureau of education. Considering the country and the nature of its resources, agricultural education should occupy a conspicuous place in the system, and that along with the development of teacher-training facilities there should go the development of regional agricultural schools. As a first step in this development, the department accepts the board's recommendation that special attention should be given to the existing agricultural and farm schools and that they should be made to function more successfully. This is another problem resting upon the central office. Its solution will depend upon the employment of competent persons of wide experience in agricultural and vocational education. In addition to this personnel there should be granted to the bureau a lump sum of ₱100,000 out of which the existing agricultural and farm schools may be fostered and developed along desired lines.

FUNDAMENTAL PRINCIPLE UNDERLYING VOCATIONAL EDUCATION

The fundamental principle which justifies emphasis upon agricultural and vocational education, especially in the Philippines, may be briefly stated: As already pointed out, one great public object to be served and promoted by a tax-supported system of schools is social or political. There is another object,

however, equally important involved in this public interest, and that is an economic one. It has come to be recognized in recent years that the security of a people and their stability and growth depend not merely upon their general educational attainments, but also upon their economic development and efficiency. The rivalry between peoples to-day is predominately an economic one. Among the requisites of good citizenship is that of economic productiveness. Not only must the individual be competent to discharge his political obligations but he must be competent to contribute to the economic needs of the community. As the state has a right to control education in such a way as to meet this political need, likewise it has a right to control education to meet its economic need, and the pressure of economic rivalry may be depended upon to drive even a democracy into so adjusting its educational program that those who are educated at the expense of the state will be economically as well as politically efficient.

AN ADEQUATE STAFF FOR THE CENTRAL OFFICE

The second recommendation of the survey board reads as follows:

"That there be created in the bureau of education, through adequate budgetary provision, a professional and supervisory staff composed of individuals properly qualified to provide leadership in teacher training, supervision, curriculum construction, academic education, rural education, industrial education, household arts education, and health education; that sufficient funds for salaries and traveling expenses be provided; and that the instructional materials developed by the members of this staff be regarded as government property."

This recommendation meets with the entire approval of the department.

As stated in the report: "We believe that this economy in the central office, forced by the limitations of funds, has gone too far. Elsewhere attention is called to the fact that the financial support given to the central bureau is now actually less than in 1913. The general administration, especially the central office, has been literally starved." The disastrous effects of this economy are discussed throughout the survey. It is believed that an effective remedy for many of the shortcomings which now exist in the educational system will be found in the prompt action upon this recommendation.

The acquisition of a promotional and supervisory staff in the central office adequate to meet with reasonable efficiency the present needs should include the following divisions:

- (1) Division of tests and measurements.
- (2) Division of child accounting.
- (3) Division of reconstruction of school curricula.
- (4) Division of elementary instruction.
- (5) Division of secondary instruction.
- (6) Division of home economics.
- (7) Division of health and sanitation.
- (8) Industrial division.
- (9) Division of publications.

A tentative estimate of the amount that would be needed to start this proposed organization is about ₱120,000. In a supplementary budget submitted to the secretary of finance will be found a specific indication of what is needed.

ADMINISTRATION

Closely connected with the above recommendation for the creation of an adequate staff for the central office are the observations and criticisms of the survey concerning the administration of the bureau of education. It is found that the system has become routinized and standardized to an excessive degree; that there is a rigidity which tends to stifle wholesome initiative and variations; that the administration has become largely an impersonal one; and that the entire system has taken on a mechanical nature. The board believes that most of the major problems of administration arise from the too rapid extension of the system and from the failure of funds sufficient to maintain an adequate, competent, and experienced personnel in the central office. As already pointed out, the central office has less financial support now than it had in 1913. Without discussing in detail whatever shortcomings there may be in the educational administration, it is the opinion of the department that

the most effective way of removing these shortcomings will be found in the granting of sufficient funds to develop an adequate staff in the central office. While highly centralized administrative control is now desirable, and perhaps will be for years to come, it is believed that by the means just mentioned this administration can be made more personal and effective and will in time make practicable a larger local participation in school control.

FACILITIES FOR THE TRAINING OF TEACHERS

The third recommendation of the board to the legislature is as follows: "That facilities for the professional training of teachers adequate to provide for all new appointments to teaching positions in elementary schools by 1919 be provided."

This recommendation is the result of what the survey finds to be one of the most serious defects in the existing system and one of the predominant causes of the present failure to attain satisfactory results. The development of teacher-training facilities has not kept pace with the extension of the schools. While the academic qualifications of the teachers have steadily improved, the professional training of a very great number of them is far below the minimum requisite for obtaining reasonably satisfactory results. In addition to a certain minimum of general education, a teacher should have a minimum amount of professional training. It is a fallacy to suppose that any person of good intelligence and a fair education can teach school successfully. Teaching is an art and has a method and a technique. It is an unwise and extravagant use of funds to place children in charge of teachers without professional training. It is of paramount and pressing importance that immediate steps should be taken not only to keep children for a longer period in school but to place them under professionally trained teachers. The bureau of education should be able to announce after a very early date that no person will be employed in the public-school system who does not possess a reasonable minimum of general education and of technical and normal school training.

A good program for the development of teacher-training facilities is set forth at length in the survey. The cost for the entire program is estimated at approximately ₱2,000,000. While it may not be feasible to inaugurate the entire program at once, still some definite portion of it should be provided for by the present legislature. The survey estimates that with an enrollment of approximately 500 students, the annual cost per pupil will be about ₱175. The equivalent of 30 schools of this size is needed to supply the necessary teachers for the elementary schools each year. This means that approximately ₱90,000 should be provided for the necessary facilities and equipment for training each 500 teachers. An appropriation should be made during the present session to cover as many of these units of 500 each as is feasible.

In addition to this, provision should also be made for an observation school in connection with the Philippine Normal School in Manila. The survey finds that the present facilities used by this school are very inadequate and inconveniently located. To pay for the necessary land adjoining the Philippine Normal School and to erect a building thereon will require approximately ₱400,000.

The existing training facilities consist of 1 insular normal school, 7 provincial normal schools, and 14 normal-school sections of high schools. As rapidly as practicable, these normal-school sections should be separated from the general high schools. The board recommends that the remaining 8 normal schools needed be secured by converting that number of general high schools into normal schools. As the plants of most of the general high schools were built from provincial as well as insular funds, their conversion will require the cooperation of local authorities. Pending the necessary negotiations, it is strongly urged that the legislature at this present session take the first step as above indicated in initiating the entire program.

Elsewhere the views of the department have been expressed on the recommendation of concentrating the American personnel in the normal schools. The department believes that eventually they should be so concentrated. In the meantime, the number of American teachers should be substantially increased in order that the normal schools may be adequately supplied without depriving the general high schools of the American teachers they need for their English-teaching program.

THE MEDIUM OF INSTRUCTION

The board reaches the conclusion that English should be maintained as the language of instruction, and is of the opinion, judging from the successful results attained in some of the schools, that the graduates of the primary schools throughout the islands can develop practical control of the English language. The commission is likewise of the opinion that English as a common language can be taught successfully in the Philippine Islands, and that the relatively high level of attainment now being reached in a number of schools gives promise that the desired command of English can be developed even under the handicap of having to teach in a foreign language. In this deliberate judgment, arrived at after extensive testing of results now being attained, the department concurs. Moreover, considerations of economy, expediency and policy are predominantly in favor of the continuation of English as the medium of instruction. The department regards as of paramount importance the making more effective the teaching of English. It does not favor the distraction of effort and attention or the diversion of existing funds for the purpose of experimentation with other mediums of instruction.

While the results obtained have not been universally satisfactory, still the shortcomings are due to factors which can be eliminated. The most important of these factors is the short stay of the children in school, which the survey finds to be on the average less than three years. This is too short a period, even if a dialect were used as a medium of instruction.

Another factor is the lack of adequate reading material in the schools. Some progress has been made during the past few years by the bureau of education in overcoming this shortage. Much remains to be done, and it is urged that the request of the bureau for adequate funds to provide sufficient reading material be granted. The bureau has already inaugurated a change in the method of teaching English and is resorting more and more to the utilization of silent reading as recommended by the survey.

Still another factor is one which affects, not only the teaching of English, but of all subjects, and that is the lack of adequately trained teachers. This weakness is especially disastrous with respect to the teaching of English. The elimination of this weakness will be found in the general improvement of teacher-training facilities. The observations of the board and of the commission on the lack of well-trained teachers and the recommendations made for the removal of this weakness are especially pertinent in connection with the discussion of the medium of instruction.

AMERICAN PERSONNEL

Also especially pertinent to the discussion of the question of the medium of instruction is the place of the American personnel in the educational system. The department shares the views of the board that it is important that the American administrators and teachers be retained in the service, that the terms and conditions of their employment be made more in cognizance with the ever-increasing demand for the highest type of teachers, and that the number be increased to an extent necessary to staff the teacher-training institutions. So long as the general high schools are relied upon to furnish teachers, it is not deemed wise to concentrate all of the American teachers in normal schools. Progress toward this objective should be gradual and be governed as to rapidity by the progress made in the development of the recommended type of normal school.

THE CURRICULUM

The subject of the curriculum receives much attention in the survey. Curriculum-making is probably the most difficult problem with which school authorities, here and elsewhere, have to deal, and one that requires continuous study, modification, and readjustment. The bureau of education, after several years of careful study and after an exchange of views among the teaching and administrative personnel in the service, completed a new curriculum for the primary schools in 1924 and for the intermediate schools in 1925. Both of these curricula are now under critical observation and will undergo from time to time such modifications as experience and sound pedagogical judgment seem to warrant. To carry on a continuous and scientific revision of the curriculum, based on studies of social needs and the interests and aptitudes of children,

as recommended by the survey, will require the creation of an adequate staff in the academic division of the central office.

The survey also discloses much "overage" in the schools. It is said that the curriculum is not well adapted to the age of the children in the respective grades. Such adaptation is a matter of extreme difficulty and is achieved only after much experimentation. While the academic division of the bureau has devoted much thought to this problem, whatever deficiencies exist in the matter of adaptation can be largely attributed to the lack of an adequate staff in that division of the central office primarily responsible for the curriculum. The recommendation of the survey board that the central office be supplied with an adequate staff of well-trained educators is especially pertinent to the solution of the problem of the curriculum.

It is also stated that the present curriculum is not adapted to Philippine life, interests, and culture. In this conclusion, neither the bureau nor the department concur. A careful examination of the content of the curriculum and the method of its preparation, as well as of the text material and methods used in its presentation, indicates that the process of adaptation has proceeded as rapidly as is consistent with essential efficiency and sound educational policy. As far as Filipino material is now available, the curriculum embodies all that can reasonably be expected. The policy of the bureau and of the department is to continue the process of adaptation, but it is not believed that this process should be pursued in time and extent to such a degree as to jeopardize the attainment of efficient educational results.

TEXTBOOKS

(a) *Preparation.*—The board recommends that instructional material be developed by members of the academic staff of the central office and that the same should be regarded as government property. The commission recommends that teachers, principals, and supervisors be encouraged to work out in textual form instructional material suitable for textbooks.

These recommendations, in substance, propose that the instructional material used in the schools be, to some extent, prepared within the bureau itself and that, as far as is practicable, this material be used to supplement or even supersede text material purchased from outside parties.

The bureau of education has, to a limited extent, prepared some of the educational material used in the school system. It is believed that with an adequate staff in the academic division of the central office, it would be feasible and economical to supplement in an increasing measure, especially in the primary grades, the existing text material and gradually supersede such material. Text material can usually be better prepared by persons actually in the school system who have intimate knowledge and long experience with the school work. It would be advantageous if the text material produced by this facility derived from experience in, and contact with, the system could be made directly, rather than indirectly through private publishing houses, available for the bureau of education.

(b) *Selection of textbooks.*—The survey board also recommends that in the selection of textbooks, the method formerly in use of making this selection a professional one be adopted and that the director of education, through the guidance of a professional board, be made directly responsible for the selection of textbooks used in the schools.

In passing upon the soundness of this recommendation an important discrimination should be made. The selection as well as the preparation of instructional material for the school is essentially an educational function and should be performed by persons of pedagogical training and experience. There is, however, another function not essentially educational which, if deemed necessary to have performed, can properly be entrusted to nonprofessional persons. This is the function of censorship. In any educational system, whether supported by public or private funds, the state has a right to require that the teaching in this system shall not be inimicable to the safety of the state or prejudicial to public interest and welfare. The right to control education to conserve and promote public welfare is generally recognized. So far as the teachings of the schools, either oral or embodied in textbooks, do not conserve or promote this public interest the representatives of the political power have a right to intervene. The true function therefore of the existing textbook board should be that of censorship over those kinds of textbooks

which are likely to deal with social or political questions. There are a great many textbooks used in the schools the contents of which have no social or political significance, such as, books of science, mathematics, grammar, penmanship, and drawing. With respect to these, the selection should be made by educational officials. With respect to others, such as, history, civics, and economics, they should likewise be selected by educational officials but they might be made subject to censorship by a noneducational board for the purpose of ascertaining whether the contents thereof are inimicable to the social and political welfare of the state. It is believed therefore that the existing law providing for a textbook board should be modified and that its function should be limited to that of censorship of books selected by the educational authorities.

FINANCIAL SUPPORT

The survey brings out the following significant facts: That of the total income of the insular government alone, about 23 per cent is spent for public schools, including the university; that of the total expenditures for public education by local and insular governments, almost three-fourths comes from the insular government.

If the present educational facilities are to be brought, not to the highest but to an average degree of efficiency, there must be a large increase in the expenditures. If this increase is not feasible, the alternative is to continue the system substantially as it is or to effect necessary improvements by a curtailment of existing facilities. As it is not believed that any extensive curtailment is desirable or feasible, the necessary improvements can be made only by an increase in the expenditures. The department is clearly of the opinion that, if a reasonable educational return is to be derived from the money already being spent, such improvement must be made. It is not practicable to maintain existing facilities, and by a shifting of the funds now available, to make any substantial improvements. The needed improvement can come only either from extensive curtailment or from increased appropriation. They should come from the latter.

Judged by what many other governments spend for education, the present expenditures of the insular government for education do not represent an undue proportion of the total insular budget for all purposes. The present proportion of the insular budget for education should be increased. With respect to the total local and insular expenditures for education, the present share of three-fourths now carried by the insular government is too large. As rapidly as is feasible, the share of the provinces and municipalities should be increased. The reasons for this shifting of more responsibility to the local governments are well set forth in the report of the survey board. Moreover, the insular expenditures for education should go largely to foster and develop primary and intermediate education, giving preference to the former and to the earlier grades of the latter. It should go also to aiding the establishment and development of agricultural and other forms of vocational education.

In order to enable the local governmental units to assume a larger share of the cost of maintaining public schools, the department has submitted to previous legislatures certain proposed legislation. It submits to the present legislature a similar bill in substantial agreement with the first recommendation of the survey board. The bill provides for an increase of five-eighths of 1 per cent in the existing land tax. Two-eighths of this increase is compulsory and three-eighths is optional. One-eighth of the compulsory increase is to be made by the municipality and one-eighth by the province. Of the optional three-eighths, two-eighths is for the municipality and one-eighth for the province. All this increase is to go to the support of the schools. The provincial increase is to constitute a provincial school fund.

If the compulsory increase of one-eighth is enacted, there will be derived for the municipal schools an additional income of ₱1,490,000 and a like amount for the provincial schools. If the municipalities and provinces use the optional power of taxation to the limit, there will be produced an additional income of ₱4,470,000 for the municipal schools and ₱2,980,000 for the provincial schools.

The bill also proposes an optional increase of ₱1 in the cedula tax; 20 per cent of this to go to the provincial school fund and 80 per cent to the municipal school fund. It is estimated that this increase will give an addition of ₱460,000,000 to the provinces and ₱1,850,000 to the municipalities.

By enacting the proposed legislation there will be placed in the hands of the local authorities the ability to provide more adequately for the local school needs. To the extent that the local communities, in the exercise of this increased power of taxation, are able to carry a larger share for the maintenance of the local school program, the maintenance of which is their primary obligation, insular funds now being granted to help to maintain these local schools will become available for needed improvements in the teacher training and an adequate staff for the central office. Moreover, such levy will render unnecessary in large part the present unsatisfactory practice of collecting voluntary contributions for operating expenses. Voluntary contributions should be resorted to mainly for the acquisition and development of permanent school buildings.

In stating that substantial increases in the expenditures for education are inevitable, the department desires to make it clear that when these increases become available, and some of them should be immediately available, they should go primarily to the improvement of existing facilities. The extension of educational facilities, for the purpose of enrolling more children, should not be undertaken until after the reasonable attainment of the needed improvements. To extend educational facilities for more children without improving the facilities already existing would be an unwise expenditure of funds and would tend to defeat the fundamental objects for which the public schools are maintained. It is hoped that a formal school training of two or three years will not be accepted as fulfilling the general social obligation of the state with respect to education.

DISTRIBUTION OF INSULAR AID FOR OPERATION

With respect to the distribution of the insular aid to education, it is desirable to have a reasonably definite basis for such distribution, especially to elementary education. At present the insular aid for such education is distributed to the provinces on the basis of population and, as near as practicable, on the same basis within the provinces. It is believed that a sounder basis is the one used in 1920, which was one-half on the basis of population and one-half on the basis of school attendance. To adopt this basis abruptly, however, would mean a very serious disturbance in the existing schools, for the reason that in practically all the provinces the school system has developed on the other basis of distribution. To make the transition to a new basis would require the appropriation of sufficient additional funds to carry existing schools until such time as local capacity, due to increased powers of taxation, would be able to provide for them. Before any change of basis is made, the bureau of education should be permitted to submit detailed figures for each province and municipality, showing precisely what effect the distribution on the new basis would have upon existing schools.

DISTRIBUTION OF INSULAR AID FOR CONSTRUCTION OF SCHOOL PLANTS

In addition to insular aid for the operation of schools, a large amount of aid has been given for the construction of school buildings. Formerly this aid was distributed by the department of public instruction after a careful consideration of the detailed reports from the field on the local funds available and on the comparative local needs. In more recent years, the aid has been distributed by committees created by the legislature. At the last session, the legislature itself made the distribution. It is believed that more satisfactory results would be achieved if the legislature should adopt some general basis for the distribution and leave to educational administrative officials the carrying out of the distribution on the adopted basis. An example of such a system may be found in the distribution of insular aid to waterworks and to the construction of provincial hospitals.

HEALTH SUPERVISION IN THE SCHOOLS

The recommendation of the board that this be made a specific function of the bureau of education is approved, with the understanding that such supervision shall be carried out in cooperation with the Philippine health service and by the utilization, so far as practicable, of the personnel of that service. The detailed program of the commission for the improvement of health and physical education is essentially sound, but its realization will require a number of

years and the expenditure of considerable money. For the present, it is not believed that more should be undertaken than the creation of a division of health and sanitation in the central office. The expense of this would be included in the additional amount proposed for the carrying out of the second recommendation of the board.

REMAINING RECOMMENDATIONS TO THE LEGISLATURE

The fifth recommendation is as follows:

"That an adequate salary be assigned to the director of education; that the present salary law be amended by increasing the salary at present provided; that the appointment of the director be either for an indefinite term of years, or for a definite term of at least five years."

To carry out this recommendation will require a modification in the salary law similar to that which was made at the last session of the legislature with respect to the salary of the president of the University of the Philippines. The salary of the official who is charged with the immediate administration of the entire public school system, other than the university, should be commensurate with the salary paid to the head of that institution. His educational responsibility is very great and its proper discharge vitally affects practically all of the enrollment in the public schools.

The sixth recommendation is as follows:

"That the director of education, subject only to the limitations of his budget, and to the approval of the department head, be clothed with the power to appoint and promote all members of his staff, and that he be held entirely responsible for the efficiency of his administration."

This recommendation is interpreted as meaning that the director, subject to the approval of the department head, should have power to select and promote, regardless of the amount of the salary, the personnel of his bureau, without the approval of the council of state. As thus interpreted the department approves it.

The seventh recommendation, while included in those for the legislature, refers primarily to an administrative matter which has already been taken care of as far as is feasible with efficient administration.

With respect to the eighth recommendation, while recognizing the importance of making the school facilities available in the late hours of the day or in the evening, it is not believed that such extension should be attempted at this time. In keeping with the general views of the department on extension, as set forth herein, all funds that are likely to become available for education in the next few years should go to the improvement of facilities already established.

PRIVATE SCHOOLS

The presence of strong private schools well equipped and having able teaching personnel will exert a stimulating influence upon the public schools. The reaction of good private schools and good public schools, one upon the other, should result in the mutual improvement of both. There should be between them close coordination of work and hearty cooperation of effort. The promotion and facilitation of this coordination and cooperation and the development of right relations between public and private school agencies is one of the important functions of the department of public instruction.

In addition to this function and closely related to it is that of carrying out of the legislative policies with respect to educational, scholastic, and other standards which are deemed necessary and desirable. It is the present policy of the government to exercise some control and supervision over private schools for the purpose of securing observance of certain standards. This policy and the powers and duties of the department with respect to it are fully set forth in Act 2706 as amended by Act 3705. Compliance with the requirements of this act is attempted to be secured by a system of "recognition" of schools maintaining specified standards. No endeavor has been made, however, to control schools not seeking government recognition. As a condition of obtaining and keeping government recognition, private schools are expected to comply with prescribed minimum standards.

In execution of this policy, the department has from time to time established standards for the primary, intermediate, and high schools and for the various types of professional schools and has prescribed numerous rules and regulations governing the conduct of recognized schools. It has also carried on inspection

and supervision of schools seeking or granted recognition. This work has been performed by a staff composed almost entirely of a few persons in the bureau of education who have been loaned or detailed to the department for this purpose. The personnel which the department has had for the performance of its duties with respect to private schools has been and still is wholly inadequate. This inadequacy has been further accentuated by the fact that the very pressing needs of the bureau of education for all of its personnel has made it necessary to return to that bureau the four persons upon whom the department greatly relied. The department has previously called attention to its need for an adequate staff. At the last session of the legislature, partial relief was granted by the creation of two positions. This relief, however, was more than offset by the loss of the bureau of education personnel. At present the department has available for the exercise of its important jurisdiction with respect to private schools only three supervisors. A large increase is necessary. In the budget submitted to the present legislature, provision is made for additional positions. These represent the minimum which the department should have if it is to approximate anything like a fair discharge of its responsibilities. If it performs successfully the important functions mentioned in the first paragraph of this section, it should have a very much larger staff.

It is obviously a question of policy to be determined by the legislature as to the nature and extent of government supervision and control of education carried on under private auspices. It is believed that in the long run a sound educational situation will result if private schools are permitted much liberty in the development of their own educational policies and standards, and if the government does not assume responsibility of vouching for them. In the field of education, as elsewhere, there is a constant risk that the government stamp of approval and the realities behind the stamp do not coincide. There is much to be said in favor of leaving to the persons who desire to patronize private schools the ascertaining of the quality of the services offered and of permitting the various schools themselves to determine to what extent each will recognize the work of the other. This, however, is not now the policy. Under existing laws, the government is vouching for the quality of education under private auspices and is putting its stamp of approval upon many private schools. It is doing with respect to these what it does with respect to many commodities and services offered to the public; it is asserting that the commodity possesses qualities and that the person offering services has qualifications which have been prescribed as essential to social security. In fairness to the people who rely upon this stamp of approval, the government is bound to see that the commodity and services do conform to the prescribed standards and that the label has back of it genuine quality. If, for financial or other reasons, it is not feasible or expedient to provide the facilities necessary to discharge adequately this assumed undertaking to certify as to the quality of education offered by private institutions, then the existing legislation governing this subject should be repealed. So long as the existing law puts upon the department definite responsibilities with respect to private schools seeking government recognition, provision should be made to enable it to discharge with reasonable efficiency this responsibility.

It should be noted that the existing duties and powers of the secretary of public instruction relate only to schools seeking government recognition. He has no jurisdiction over the opening or conducting of schools not seeking recognition. The department concurs in the recommendation of the survey that no school, whether it seeks recognition or not, should be permitted to operate unless it meets reasonable requirements as to equipment and educational standards.

UNIVERSITY OF THE PHILIPPINES

The Concurrent Resolution No. 5 requests an expression of views upon the entire report of the survey board. It is assumed that this includes comment upon these portions of the report dealing with the university, although that institution is not within the department. In making this comment, the secretary expresses his own views and does not purport to speak for the board of regents or the faculty.

With respect to the university, the procedure adopted by the survey is similar to that used in connection with the bureau of education: There is recognition of the achievements; there is criticism of the weaknesses and shortcomings. Here, as in the other parts of the educational system, the board finds that the chief cause of what is unsatisfactory is too rapid and too extensive expansion.

"When an institution has grown so rapidly as has the University of the Philippines, it is almost inevitable that the growth would be accompanied by elements of weakness in organization and administration." These elements of weakness are fully set forth in the survey. The remedy proposed to the university is that it ought to avoid all diffusion of effort, to curtail its number of students by some selective process so as more nearly to make numbers conform to resources, to eliminate all unnecessary courses and activities and to concentrate upon the fundamental things which are essential to develop a really great university. In the survey's findings concerning weakness, their chief cause, and the remedy recommended for their removal, the secretary of public instruction concurs. Whatever may be regarded as the proper ideal for the general public-school system, there would seem to be no doubt that in the development of the public university, "the capstone of the system of public education in the islands," genuine quality should always take precedence over mere quantity. The test of the university administration will be found on its ability to withstand the tremendous pressure for the mere expansion of its activities and their extension to other parts of the archipelago, and to confine its energies and resources to the performance of the appropriate functions of a real institution of higher learning. It will best perform its primary functions if it refuses to broaden its field beyond that which it can effectively serve and declines to train those who have not aptitude and ability to profit from higher education.

The success of the administration in pursuing its proper ideal will depend in large measure upon the type of university organization. That the present organization is seriously defective is the judgment of the survey board and the commission. In this judgment and the reasons which the survey sets forth in support of it the secretary concurs. The board's recommendation to the legislature with regard to needed legislation to remove these defects is sound. So far as the secretary is aware, there is not a single institution of higher learning in the United States, public or private, which has an organization similar to that of the University of the Philippines. It would seem that this well-nigh universal form of organization prevailing elsewhere is not the result of mere chance but is predicated upon something which, by long experience, has been found to be fundamentally sound.

The board also makes two recommendations to the legislature concerning the financial support and proper housing of the university. It is believed that these recommendations should be carried out just as rapidly as the financial resources of the government will permit. Here as elsewhere in the educational system, the scope of the university's activities will be determined by the economic resources of the community and by the supply of persons possessing intellectual capacity and training to carry on effectively the teaching and research of real university grade. The growth of educational facilities, especially for higher education, must parallel the growth in economic development and wealth. This relation between economic development and educational development is not a mere coincident; it is fundamental. The survey points out the most pressing of our educational needs: A longer school period for the lower grades, more effective teaching therein, better teacher-training facilities, an adequate educational staff in the bureau of education, the promotion of agricultural education, the development of a better type of secondary education. Since the department of public instruction represents the entire system of public education, it is deemed pertinent to make the following quotation from the report of the board: "Every modern nation regards the universal extension of the opportunities of an elementary education of seven or eight years as the first charge upon its budget."

Respectfully submitted.

E. A. GILMORE,
Secretary of Public Instruction.

MANILA, September 18, 1925.

ANNUAL REPORT OF THE SECRETARY OF THE INTERIOR

DEPARTMENT OF THE INTERIOR,
Manila, April 21, 1926.

SIR: I have the honor to submit the following report of the department of the interior for the year ended December 31, 1925:

ORGANIZATION AND PERSONNEL

The number and functions of the bureau and offices under this department stated in our report for 1924 remained the same in 1925.

With regard to the higher personnel, the only important change that took place was the resignation of Hon. Felipe Agoncillo as secretary of the interior. In accordance with the terms of the acceptance of his resignation, Secretary Agoncillo remained in office until the morning of October 1, 1925, on which date I assumed office as secretary of the interior, three days after my appointment by Your Excellency was confirmed by the Philippine Senate. Hon. Feliciano Coampo continued as undersecretary of the interior.

GENERAL STATEMENTS

Speaking generally, there was distinct advancement during the year under review in the activities of the bureaus and offices under this department. There was an increase in the work handled by them; efforts were exerted to reduce the amount of paper work, and to be businesslike in the dispatch of official matters. The reports submitted by our bureaus and offices show increased efficiency in administration and an earnest desire on the part of the officials to improve existing conditions.

The finances of the Provinces and municipalities were in healthy condition; revenue collections increased, thus indicating economic prosperity and financial stability. Great enthusiasm was shown in the construction of roads, bridges, school buildings, waterworks, and electric-light systems, and other permanent public improvements, and these were undertaken as fast as funds were made available. Public health and sanitation continued to improve, due to the vigorous campaigns undertaken by the health authorities with the active cooperation of the local officials. Remarkable progress was achieved in the social-welfare activities of the office of the public-welfare commissioner, particularly in maternity and child-hygiene work. In the non-Christian Provinces the policy of attraction was adhered to with increased attention, and advancement was made in their political, social, and economic development.

In my inspections of the Provinces and municipalities which I found most useful and important during my incumbency as chief of the executive bureau and during the brief period that remained after my assumption of office as secretary of the interior, I was impressed with the growth of public opinion, the increasing interest of the people in governmental affairs, and in helping make their respective communities better places to live in. Most of the towns visited were in good sanitary condition, and the means of communication and housing conditions were improved. The people are fast awakening to the fact that the functions and activities of our local communities must broaden into new fields and that municipal governments must be instruments to bring about better living conditions and happiness to the masses.

While municipal revenues increased, the paramount municipal problem today continues to be that of improving the finances of our local governments. Our municipalities still labor under a severe handicap in the matter of raising revenues. Unlike the continental cities in Europe that are conferred general powers in all matters of local concern, our local governmental units are of strictly enumerated powers and can only exercise such power as the legislature expressly conferred upon them. Under this system, progress in our local communities must necessarily be slow. This department will therefore insist, as it has done in the past, to have a law designed to increase the taxing powers of our local governments and to place at their disposal increased sources of revenues approved.

During the year a number of municipalities were visited by destructive typhoons, fire, and floods. Although the damage that resulted from these public calamities was considerable, no great suffering resulted. The response of the local chapter of the Red Cross for relief was gratifying.

PUBLIC ORDER

As in previous years, and although the year under review was an election year, conditions of peace and order throughout the archipelago were excellent. With the exceptions of the encounter between the constabulary and the members of the "Kapisanan Kabola Kasinag" in Nueva Ecija, in which a few casualties were had, and some engagements between the same force and the recalcitrant Moros in Lanao, which were mainly local and did not affect peace and order conditions in the neighboring Provinces, there was no other serious disturbance of public order in the islands.

Early in the year a secret association named "Kapisanan Kabola Kasinag" was discovered in Nueva Ecija. It had a membership of about 1,500 ignorant farmers and laborers, and they had for their leader Pedro Kabola, an ex-convict and fugitive from justice. The objects of this association were to overthrow the local government at San Jose, to rob the wealthy class of its land and other property, and then divide the spoils among themselves, but before they could carry out their plan a constabulary patrol discovered their plot and, after a brief engagement, Kabola was killed, and the association soon thereafter disbanded, and no further trouble was reported. Less than 100 members of the society were arrested, tried, and sent to prison, and those who voluntarily surrendered were released.

With the killing by a constabulary patrol of Macario Manquiat, a notorious bandit, who, as will be remembered, escaped from the provincial jail of Cavite with Santiago Ronquillo, the killer of Judge Borromao, outlawry in Luzon was completely wiped out.

In the Province of Samar, a secret fanatical society with a membership of 300, the majority of whom were ex-palajanes, under the leadership of one Gregorio Bantilo, was discovered. The constabulary arrested Bantilo and his assistants and they are now facing criminal actions before the Court of First Instance of Samar.

On the whole, Mindanao and Sulu were in a peaceful conditions during the year. In Lanao and in a few other places occasional disturbances occurred, necessitating the sending of punitive expeditions by the constabulary. The main cause of these sporadic uprisings was the opposition to the collection of taxes and to the school system.

Detailed statements of the most important disturbances in Mindanao and Sulu during the year are contained in the accompanying reports of the Philippine Constabulary and the Bureau of Non-Christian Tribes.

ELECTIONS

The general elections of 1925 for insular, provincial, and municipal offices were held on June 2, under the supervision of the executive bureau and its duly authorized representatives. Long before this date the executive bureau, anticipating a busy election year, due to the radical changes introduced by the new election law, Act No. 3210, organized a special election section. The preparation of the permanent census of qualified voters was a particularly arduous task, and it took some months before it could be accomplished. Before the elections streams of consultations regarding interpretations of the doubtful provisions of the election law poured daily into the central office. Many calls were received for the same purpose. The personnel of the special election section were constantly kept busy, and for about two months they had to stay long after the regular office hours in order to cope with the work.

The controversies arising from the interpretations of the provisions of the new election law which could not be settled by correspondence were investigated by representatives of the executive bureau. In those Provinces in which this office sent no special representatives from Manila to decide election disputes, the services of the provincial commanders of the Philippine Constabulary were availed of, and these officials did creditable work.

Notwithstanding the keenness of the struggle in many places and the difficulties encountered in the interpretation of the new law, the general elections of

1925, in which the Nacionalist Consolidado Party came out victorious, was conducted in a most peaceful and orderly manner.

The election of the third member of the provincial boards of Agusan, Davao, Nueva Viscaya, and Zamboanga by popular vote was held for the first time on June 2, 1925, simultaneously with the general elections. Formerly, they were elected by a plurality of the voters of the vice presidents and councilors of duly organized municipalities and municipal districts present at a convention, but in view of the proclamations issued by the Governor General upon recommendation of this department these Provinces were allowed to elect their members under the general election law. Of significance in these elections was the keen interest shown by the Moros in exercising the right of suffrage. One of them ran for third member in Zamboanga, and, although he lost, his example augurs well for a greater Moro participation in the affairs of government in the future.

A number of special elections were held during the year. Simultaneously with the general elections, the special election in the eighth senatorial district was held to fill the vacancy created by the death of the late Hon. Espiridion Guanco. On August 15, 1925, another special election was held in Cavite for the office of representative which became vacant upon the death of Hon. Augusto Reyes. Other special elections were held in the municipality of Davis, Province of Behol, on October 3, 1925, for the office of municipal president; in the municipality of Dumalag, Province of Capiz, on January 12, 1926, for all municipal offices; and in the municipality of Rapu-Rapu, Province of Albay, on January 9, 1926, also for all municipal offices. These special elections were called by your excellency on recommendation of this department on account of the annulment of the results of the general elections for the offices mentioned.

LEGISLATION AND DEPARTMENT ORDERS

The year under review was productive of important legislations which affect the bureaus and offices under this department. The following are the most important:

Acts 3222, 3228, 3229, 3265, 3266, and 3268, granting authority to the Provinces of Iloilo, Pangasinan, Occidental Negros, Laguna, Ilocos Norte, and Marinduque, respectively, to issue bonds for the purpose of raising funds for the construction of permanent public improvements, such as waterworks systems, bridges, and capitol and other public buildings, and for the repayment of insular loans. These provincial bond issues are to be used as security for an equal amount of bonds issued by the insular government. The total amount of bond issue authorized for the six Provinces above mentioned reached ₱4,465,100, of which ₱1,953,100 is for Iloilo, ₱857,000 for Pangasinan, ₱800,000 for Occidental Negros, ₱196,000 for Laguna, ₱548,000 for Ilocos Norte, and ₱111,000 for Marinduque.

Act 3224: This amends sections 765 and 776 of the Administrative Code as amended by act 3111 by increasing the fees of the members of the board of medical examiners and eliminating that portion of section 776 of the medical law providing for further study of an applicant for registration as a physician in case of failure in an examination. The inability of the medical colleges in the Philippines to give special courses for flunkers in the examinations led to the enactment of this repealing provision of the law.

Act 3255, providing for the issue of bonds of the Government of the Philippine Islands in the sum of ₱6,000,000, the proceeds of the sale of which are to be used for the purchase of equivalent amount of bonds of the metropolitan water district. The purpose of this act is to enable the district to complete the extension of its water supply and sewerage systems in the city of Manila and the neighboring towns.

Act 3261, providing for a new classification of municipalities. Prior to the passage of this act, the municipalities in the regularly organized Provinces were classified as first, second, third, and fourth class municipalities on the basis of the number of inhabitants. Under this new act, which took effect on January 1, 1926, municipalities are classified under five categories instead of four, as formerly, and the average annual revenue of each municipality for the last three years and not the number of inhabitants as formerly, is made the basis of classification. In accordance with this act, municipalities of the first class are those having an average annual receipt of ₱50,000 or more during the last three years, and have eight councilors; municipalities of the second class are those having annual receipts of ₱30,000 or more but less than ₱50,000 in

like period, and have eight councilors; those having annual receipts averaging ₱15,000 or more but less than ₱30,000 during the last three years belong to the third class, and have six councilors; those the annual receipts of which average ₱5,000 or more but less than ₱15,000 during the last three years belong to the fourth class, and have six councilors; and those with less than ₱5,000 are considered fifth class, with four councilors.

Section 2 of this same act imposes upon the secretary of the interior the duty to order, beginning 1925, and for each period of three consecutive years thereafter, the classification of the municipalities based upon the new system outlined in the preceding paragraph. It is desired to state in this connection that this new system of classification provided by act 3261 affects only the municipalities in the regular Provinces under the jurisdiction of the executive bureau, Batanos and Palawan as well as the nine specially organized Provinces under the bureau of non-Christian tribes being excluded.

Besides changing the basis of classification of the municipalities as already indicated and reducing the number of councilors for the municipalities under each class, act 3261 also fixes a scale of salaries for the municipal presidents, the municipal treasurers, and the municipal secretaries, giving them a slightly greater compensation than what they are at present receiving.

The effect of reclassifying the municipalities on the new basis is believed wholesome, as it offers an incentive to the municipalities to increase their revenues. It is also the most just basis for classifying municipalities, as under the old law a municipality with more income than another may belong to a lower category than the latter on account of its less number of inhabitants, and this is certainly not reasonable and just. The reduction in the number of councilors appears necessary, as experience has shown that the greater the membership in the council the more difficult it is to secure a quorum, and hence greater delay in the transaction of official business.

Act 3227, subsection D. item 158, providing that beginning the year 1926, pensionados shall be selected upon competitive examinations to be held under the control of the director of civil service in the Philippine Islands or of the Bureau of Insular Affairs in the United States, and under such rules as the pensionado committee of the council of state may prescribe.

Department orders.—Fifteen orders were issued by this department during the year, most of them, however, relating to the appointment of members of the boards of examiners. The following are the most important:

Department order No. 3: This order empowers the public welfare commissioner to reorganize the City Boys' Reformatory and the City Girls' Reformatory into insular institutions, the former to be known as the Philippine Training School for Boys and the latter as the Philippine Training School for Girls, in compliance with the provisions of Act No. 3203, providing for the care and custody of neglected and delinquent children. The order likewise fixes the rate of charges to be paid for the care, maintenance, instruction, and reformation of each minor committed in said institutions.

Department order No. 14: This order authorizes the placing of the names of municipal officials on tablets or name plates for public buildings.

Department order No. 15: This is the order providing for the reclassification of municipalities in the 37 regularly organized Provinces. As a result of this order the category of a number of municipalities was changed from a lower to a higher class and vice versa. At the close of the year there were 39 first-class, 70 second-class, 210 third-class, 436 fourth-class, and 92 fifth-class municipalities, making a total of 847 municipalities. (Municipalities of Batanes and Palawan not included, as Act No. 3261 does not apply to these Provinces.)

In accordance with the understanding of this department with your excellency when you gave sanction to Act 3261, I requested the provincial boards and provincial treasurers in this order to see to it that no increase in salary to municipal officials be authorized until such time as the legislature shall have given the municipalities more power to levy municipal taxes. It was found necessary to adopt such a policy in order that the municipalities may be able to save sufficient funds with which to finance the construction of municipal public improvements. An exception to this rule was, however, later authorized by allowing increases in certain municipalities whose income far exceeds the minimum fixed by law. This exception applies mostly to capitals of Provinces and to our rich municipalities.

A brief account of the important activities and achievements of the bureaus and offices under this department for 1925 follows under proper headings.

EXECUTIVE BUREAU

ORGANIZATION AND PERSONNEL

No change in the organization of this bureau occurred during the year.

As regards its personnel, important changes, especially in the higher ranks, took effect. The appointment of the undersigned as secretary of the interior left the position of the chief of the executive bureau vacant. By department order No. 10, dated October 1, 1925, Mr. Vicente del Rosario, assistant chief of the bureau, was designated acting chief thereof with additional compensation under the provisions of sections 261 and 555 of the Administrative Code. On this same date and by department order No. 11. Mr. Eulalio Suaco, chief of the provincial division, was assigned to perform temporarily the duties of assistant chief of the bureau in addition to his regular duties as chief of the provincial division, without additional compensation. Up to the time this report is written, Mr. Del Rosario and Mr. Suaco continue to perform their duties under the above designation and assignment. It is hoped his excellency will award permanent appointments to these officials as already formally recommended by the undersigned. This is deemed necessary so as to give way for the promotions of other subordinate personnel deserving of such promotions.

SPECIAL ACTIVITY

As the energy charged by the government with the proper enforcement of the election law, this office was kept extraordinarily busy during the year, it being an election year. As stated elsewhere in this report, the results of the last elections from the standpoint of law and order were most gratifying. The executive bureau and its authorized representatives, especially the constabulary authorities, deserve commendation for their excellent work in connection with the elections.

FINANCIAL STATEMENT

The total appropriation for this bureau for 1925 was ₱254,475.12 or ₱20,569.37 in excess of its appropriation for the preceding year, which was ₱233,906.75. This increase was due to the increased appropriation for postal, telegraph, telephone, and cable service, and for purchase of equipment required by the holding of the general elections, and insular aid to the Province of Palawan. The actual expenditure of this bureau, including the aid given to the Provinces of Palawan and Batanes (₱30,000 and ₱10,000, respectively), amounted to ₱250,946.50, or an increase of ₱19,541.39 over its expenditures for 1924, amounting to ₱231,405.11. The increased expenditures of this bureau were due primarily to the expenses incurred in the general and special elections held during the year. However, notwithstanding the increase in its expenditures, this bureau was able to save ₱3,528.62 out of its annual appropriations as against ₱2,501.64 saved in the preceding year. The income of the bureau from various sources during the year amounted to ₱5,950.14 as compared with ₱5,376.72 collected in 1924. With this amount and the surplus of ₱3,528.62 effected from its 1925 appropriation, the executive bureau could revert to the insular treasury a total of ₱8,978.76, or ₱1,100.40 more than what was reverted in 1924.

NUMBER AND CLASSIFICATION OF PROVINCES

The number of Provinces over which the executive bureau exercised administrative jurisdiction remained the same as last year—37 regularly and 2 especially organized Provinces. The classification of the regular Provinces reported in our last annual report remained unaltered. Batanes and Palawan continued to be special Provinces.

NUMBER AND CLASSIFICATION OF MUNICIPALITIES

At the end of the year the number of municipalities in the Provinces coming under the jurisdiction of this bureau, including the special Provinces of Batanes and Palawan, was the same as that reported on December 31, 1924, namely, 861, no new municipalities having been organized during the year, in accordance with the policy of the government.

In passing, it is desired to mention here that by virtue of Act 3253, which went into effect on December 3, 1925, the name of the municipality of Albay, the capital of the Province bearing that name, was changed to Legaspi.

The Governor General, acting upon the recommendation of the executive bureau, decreed the organization of two municipal districts—those of Lañgañgan, Cagayan, effective April 1, 1925; and Burges La Union, effective January 1, 1926. At the close of the year there were 72 municipal districts coming under the jurisdiction of the bureau.

Upon comparison with our last annual report, it will be seen that the total number of municipal districts given therein at the close of the year 1924 was 72, the same as the number given in this year's report. This is so because in giving the total number of municipal districts at the close of the year 1924 the districts of Lañgañgan, Cagayan, and Burges, La Union, which were yet under process of organization at the time and which were not actually organized until 1925, were included.

During the year no new barrios were created, and their total number is as reported in the preceding year, namely, 14,459.

BOUNDARY DISPUTES

Pursuant to the provisions of section 2167 of the Administrative Code, 9 boundary disputes, as compared with 13 in the preceding year, were considered by this department, 8 of which were disputes arising between municipalities situated within the same Province. These disputes were all decided by this department before the close of the year.

ASSESSMENT

With the exception of 21 municipalities in the province of Iloilo, no general revision of real property assessment was undertaken during the year. Since the 1920 general revision of assessment, real property assessment values fixed by government have the general acceptance of property owners. During the year 36 cases of amendments to schedules of real property values were considered, all of which were approved; 10 appeals from excessive assessment submitted, 1 of which was approved, 7 dismissed, and 2 were pending decision at the close of the year; and 15 applications for credit certificates for excessive land taxes paid were considered, 6 of which were decided in favor of the applicants and 9 were dismissed.

The total assessed value of all taxable property in all the 39 provinces under the jurisdiction of the executive bureau as of December 31, 1925, amounted to ₱1,255,240,246 as against ₱1,192,476,240 in 1924 or an increase of ₱62,764,016. This large increase in the values of taxable realities was the outcome of the policy of designating provincial treasurers to act as ex officio provincial assessors with additional compensation as provided in Act No. 3211, and the efforts of the executive bureau in making provincial assessors appoint only those persons who are property owners, familiar with the local conditions and quotations of land values.

The total assessed value of real property exempt from taxation in all the 39 provinces under this bureau as of December 31, 1925, amounted to ₱204,122,617.11 as compared with ₱191,667,736.11 in the preceding year, showing an increase of ₱2,255,981.

REVENUES

During the year the total amount of revenue collected in the 39 Provinces under this bureau was ₱38,974,271.49 as against ₱37,508,605.11 collected in 1924, or an increase of ₱1,465,666.38. Most of the taxes collected came from real property tax, cedula tax, licenses, and other receipts of the Provinces and municipalities. The increase in the amount of taxes and revenues collected during 1925 was due to the systematic and vigorous campaign adopted by the executive bureau in the matter of revenue collection. Aside from this, the bureau conducts a yearly campaign for the upward revision of municipal ordinances on licenses and taxes so as to improve the finances of the municipalities.

During the year few requests for the remission of land taxes or the extension of the period for the collection thereof were received. Only 4 Provinces and 15 municipalities sent in requests for the extension of the regular period of collection and 3 Provinces and 8 municipalities applied for the remission of the 20 per cent and 40 per cent penalties due on land taxes. There being no suffi-

cient reasons for entertaining these requests, they were all disapproved. Moreover, there is no law under which the requests coming from the municipalities may be granted even if supported by justifiable motives.

INSULAR AID, LOANS, AND BOND ISSUE

The practice of encouraging Provinces and municipalities to undertake the construction of necessary public works and permanent improvements through loans secured from the insular and provincial government and to secure insular aids therefor was followed by the executive bureau. As usual, the practice was allowed only in those cases where the projects were found feasible and the local governments were able to meet their obligations.

During the year there were 12 applications for insular loans received by this bureau. In view, however, of the provisions of Act 3014, requiring that the proceeds of all sinking funds held in trust by the insular treasurer for the retirement of bonds issued by the insular, provincial, and chartered cities shall be invested in government securities only, and the discontinuance by the insular treasurer since 1922 of the practice of granting insular loans to local governments, these applications could not be given due course and were indorsed to the Postal Savings Bank for consideration.

As matters now stand the principal source of funds for the construction of provincial and municipal public improvements is the Postal Savings Bank. While formerly the board of directors of this bank laid down the policy of granting loans to local governments exclusively for the construction of water-works systems, market buildings, and other revenue-producing projects, this policy was discarded in the early part of 1925 when the board realized the urgent necessity of our local governments to undertake improvements other than those just mentioned, and consequently granted loans for the construction of almost any kind of permanent public improvements. In line with this new policy, of the 87 applications for loans amounting to ₱2,294,800.33 received during the year, the Postal Savings Bank board approved 31, involving a total of ₱790,633.33; disapproved 10, and the rest were pending consideration at the close of the year.

By virtue of the provisions of section 2106 (c) of the Administrative Code, municipalities may also secure loans from the provincial general funds. During the year 34 applications for loans under the above mentioned provision of law amounting to ₱165,630 were received, 22 of which were approved, 2 disapproved, and 10 were pending action at the end of the year. Ten of these applications for loans were for municipal building projects, 12 for school buildings, 3 for market buildings and tiendas, 1 for a sewerage system, 2 for water works systems, 2 for artesian wells, 3 for municipal streets, and 1 for a swimming pool. Municipalities may also secure loans from municipal funds held in trust by provincial treasurers under section 2117 of the Administrative Code. These loans do not require executive approval and accordingly no records thereof are kept in our office.

During the year 1925, 15 bills authorizing Provinces and municipalities to issue bonds were presented in both houses of the legislature at the instance of the executive bureau. These bills covered 33 provincial projects in the aggregate amount of ₱3,265,700 and 94 municipal projects in the aggregate amount of ₱1,792,900, making a total of ₱5,058,600. Of this total, the amount of ₱4,465,100 for bond issue was passed by the legislature and approved by the Governor General. Most of the approved projects were for construction of water-works systems, bridges, capitol buildings and school buildings. Part of the proceeds of the bonds are for the repayment of insular loans.

To help finance the construction of permanent projects, the insular government also granted insular aids to Provinces and municipalities. During the year covered by this report 55 applications for insular aids in the total sum of ₱764,671.14 were received, 10 of which were granted and the rest were either denied or pending consideration at the end of the year. Eighteen of these applications were for the construction of waterworks systems, 12 for school buildings, 9 for roads, and the rest were for artesian wells, market buildings, bridges, dikes, irrigation system, etc.

VOLUNTARY CONTRIBUTIONS

Several municipalities again resorted to the collection of voluntary contributions for the construction of new schoolhouses and maintenance of existing

schools. During the year, all the 121 requests for authority to solicit and receive voluntary contributions for the purposes stated were approved by the Governor General. In 1924, 206 requests of this kind were received.

INSPECTION

The periodical inspections of the provincial and municipal government offices under the jurisdiction of the executive bureau could not be carried out extensively during the year in view of the pressure of work and of the limited personnel of the provincial agents division in which the inspection work of the bureau is intrusted. Accordingly, only 14 Provinces and 59 municipalities were personally inspected by provincial agents and other members of the division. To acquire a knowledge of the conditions in places not inspected and for purposes of remedial action, the bureau had to rely mostly on the inspection reports received from other offices, especially those received from the bureau of audits, from provincial governors, and municipal presidents.

CAMPAIGN AGAINST LOCUSTS, RINDERPEST, ANTHRAX, AND OTHER ANIMAL PESTS

As in previous years, this bureau and the local officials under it cooperated whole-heartedly with the bureau of agriculture in its campaign to prevent or eradicate animal diseases and to exterminate locusts and other agricultural pests. All complaints against officials for irregularities or laxity in enforcing the regulations of the bureau of agriculture were properly and immediately attended to.

In order to effectively control the cases of animal and plant diseases, the executive bureau in a circular letter dated August 15, 1925, to provincial governors, required municipal officials to inspect the barrios within their respective districts at least once a week to find out whether or not there exist animal or plant diseases therein and to report their findings to the director of agriculture.

CAMPAIGN AGAINST GAMBLING AND PROSTITUTION

As usual, the executive bureau conducted a vigorous and relentless campaign against gambling and prostitution. The policy of the bureau to deal severely with provincial and municipal officials and employees found to be participating or tolerating gambling or negligent in the performance of their duties in this regard was strictly observed. Complaints received concerning the existence of gambling or prostitution in any municipality were immediately referred to the provincial governors concerned and to the chief of constabulary for appropriate action. Due to this campaign, the vice situation in the islands has been and is steadily improving.

ADMINISTRATIVE CASES

During the year covered by this report, 485 complaints against provincial and municipal officials and employees were received in the executive bureau, 250 of which were referred to the provincial and municipal authorities concerned as they were only of minor importance and required no intervention by the central government. Of the remaining 235 complaints, 10 were against provincial governors; 1 against a lieutenant governor; 1 against a member of a provincial board; 1 against a provincial treasurer; 39 against chief clerks and other employees in the offices of the provincial governors, provincial treasurers, and provincial fiscals; 41 against elective municipal officials; 119 against municipal treasurers; and 23 against chiefs of police.

Of the 10 provisional governors complained against, 1 was advised to be more careful in the discharge of his duties in the future, 1 was warned, and the rest were exonerated. At the close of the year the case brought against one lieutenant governor was still pending consideration. The complaint against one member of a provincial board was dropped, but the respondent was nevertheless cautioned to exercise greater care in the discharge of his duties. The case of the provincial treasurer was still pending decision when the year ended. Of the 41 elective municipal officers proceeded against, 1 was removed; 31 were either reinstated with warning, reprimanded, suspended, or otherwise disciplined; and 9 were exonerated. Of the 119 municipal

treasurers, against whom administrative charges were preferred, 12 were removed; the resignation of 8 accepted without prejudice to reinstatement to positions involving no money or property responsibility; 50 were either reinstated with warning, reprimanded, suspended, or otherwise disciplined; the resignation of 1 was accepted unfavorably to reinstatement; 10 were deprived of leave privileges; 35 were exonerated; and the cases of 5 were pending decision at the end of the year. Of the 39 chief clerks and other employees in various provincial government offices against whom complaints were instituted, 2 were removed; 29 were either reinstated with warning, reprimanded, suspended, or otherwise disciplined; the resignation of 3 was accepted unfavorably to reinstatement; 4 were exonerated; and 1 was awaiting decision when the year closed. And of the 23 respondent chiefs of police, 3 were removed; 7 were reinstated with warning, reprimanded, suspended, or otherwise disciplined; 12 were exonerated; and the case of 1 was pending decision at the close of the year.

Of the 32 elective municipal officials found guilty, 8 were charged with abuse of authority, 9 with disobedience of orders, 6 with neglect of duty, 3 with insubordination, 2 with irregularities in office, 2 with misappropriation, 1 with violation of ordinance and executive order, and another with violation of the gambling law.

Of the 81 municipal treasurers convicted of administrative charges, 17 were charged with minor irregularities in office, 16 with neglect of duty, 15 with failure to observe office hours, 11 with shortage and malversation, 7 with abuse of authority, 5 with violation of laws and regulations, 4 with nepotism, 2 with loss of revolvers, 1 with subtraction of mail matter, 1 with engaging in notarial work without permission, 1 with inefficiency, and 1 with immorality.

Of the 34 chief clerks and other provincial employees who were found guilty of charges brought against them, 12 were charged with failure to observe office hours, 8 with violation of laws and regulations, 7 with neglect of duty, 2 with shortage and malversation of public funds, 2 with immorality, 1 with minor irregularities in office, 1 with discourtesy, and 1 with unexplained long absence.

Of the 10 chiefs of police found guilty, 5 were charged with abuse of authority, 3 with neglect of duty, 1 with misconduct in office, and 1 with gambling.

THE USE OF ENGLISH BY MUNICIPAL COUNCILS

Executive order No. 44, series of 1912, requires that, whenever possible, English be used in writing the minutes of the municipal councils and in writing official correspondence. In accordance with the above-mentioned executive order, this bureau disapproved requests of municipal councils for authority to use Spanish. During the year only 24 requests of this nature coming from municipal councils were received and all were denied. This is an indication of the wide use of English by the councils, and it is expected that, in the near future, all the municipal councils under the jurisdiction of this bureau will use English as their common medium of expression and communication in all official matters.

MISCELLANEOUS ACTIVITIES

Many other matters connected with the administration of the Provinces and municipalities under the executive bureau received the attention of this bureau during the year. Among these may be mentioned the determination of appeals of municipal councils or municipal presidents from the disapproval of their resolutions or executive orders by provincial boards; review of resolutions of provincial boards and executive orders of provincial governors; review of the provincial budgets, administrative reports and provincial assessors' reports; settlement of accounts in favor or against Provinces and municipalities; answering legal questions; assisting Provinces in securing personnel; translating for the other offices of the government; review of papers regarding closing of streets, land reservations, purchases, and donations; approval of provincial and municipal requisitions for supplies and materials; preparation of and commenting on bills presented or to be presented to the legislature; approval of plantillas of provincial governments and of vouchers covering traveling expenses of provincial and municipal officials and employees.

As in previous years, the assistance of the executive bureau was sought by private entities and other branches of the government in connection with the work undertaken by them in the Provinces. Such organizations as the Philippines Chapter of the American Red Cross, the Anti-Tuberculosis Society, and the Anti-Leprosy Society sought the bureau's cooperation in their campaign for the collection of funds in the Provinces and municipalities under its control. In this campaign the people willingly responded to the call of these humanitarian organizations.

BUREAU OF NONCHRISTIAN TRIBES

ORGANIZATION AND PERSONNEL

There was no change in the organization nor in the functions of this bureau during the year.

Mr. José O. Sanvictores, who for more than three years was at the head of this bureau, resigned, effective February 28, 1925, and was succeeded by Mr. Ludovico Hidroselle, special agent of the same bureau. The resignation of Mr. Sanvictores from the government was prompted by his desire to engage in the cattle business.

PUBLIC ORDER

With the exception of certain portions of Lanao, where there was disturbance of public order as stated above, the conditions of peace and public order in the non-Christian regions were, on the whole, excellent. Instances of lawlessness were few. In Luzon and in the Visayan Islands and in most parts of Mindanao and Sulu the Christians lived with the non-Christians peacefully and traded with each other freely.

POLITICAL ORGANIZATION

In order to secure more effective control of government administration, the boundaries of several municipalities and municipal districts were readjusted during the year. The municipalities affected are Iligan in Lanao, Dapitan and Dipolog in Zamboanga. Mati in Davao, Jolo in Sulu, and the municipal districts of Banaue, Mayoyao, and Bauko in the Mountain Province.

At the close of the year there were 31 municipalities and 224 municipal districts in the 9 specially organized Provinces under the jurisdiction of the bureau of non-Christian tribes, the same number as last year.

NONCHRISTIANS IN REGULARLY ORGANIZED PROVINCES

In the report of this department last year, mention was made of the fact that while the existing law defines the powers of the bureau of non-Christian tribes over the nine specially organized Provinces mentioned above in so clear a manner as to leave no room for interpretation, yet in the case of the regular Provinces of the Philippines Islands placed under the jurisdiction of the executive bureau, where there are over 140,000 non-Christian inhabitants, there is no clear definition as to what power may be exercised by this bureau or how far it can go in carrying out its policy and in accomplishing its duties toward these inhabitants without coming into conflict with the officials of the said regular Provinces. It is, however, clear that under section 22 of the Jones law enacted by Congress on the 29th of August, 1916, providing that the bureau of non-Christian tribes shall have general supervision over the public affairs of the inhabitants of the territory represented in the legislature by appointive senators and representatives as interpreted by the attorney general in an opinion rendered on June 22, 1922, the bureau of non-Christian tribes has its duties to perform not only in the specially organized Provinces under its jurisdiction but likewise in the territories inhabited by non-Christians in regularly organized Provinces. In view thereof and for the purpose of establishing a clear understanding between the bureau of non-Christian tribes and the officials of the regularly organized Provinces on its work for the benefit of the non-Christian residents in said Provinces, written agreements were entered into between the director of the bureau of non-Christian tribes and the provincial boards of Rizal, Tarlac, Zambales, Tayabas, and Abra, in which it was agreed among other things that (a) the bureau of non-Christian

tribes, through the provincial governor, shall exercise control and supervision over the territory inhabited by non-Christians in these Provinces; (b) the provincial board and the provincial governor will transact business with the bureau of non-Christian tribes in all matters affecting territories inhabited by non-Christians of said Provinces in the same manner as they deal with the executive bureau with respect to the matters affecting the regularly organized provinces; (c) the bureau of non-Christian tribes may, until definite arrangements have been made, pay the salary of the superintendent of non-Christians in these Provinces, and (d) the bureau of non-Christian tribes, with the concurrence of the provincial boards and the approval of the Secretary of the Interior, will have control over the disbursements of the non-Christian inhabitants' funds of said Provinces created by section 2114 of the Administrative Code of 1917. These agreements being absolutely necessary to insure effective administration, cooperation, and control were sanctioned by this department. Similar arrangement affecting the non-Christian population of Batuan, Mindoro, Oriental Negroes, Pampanga, and Surigao will be made.

The non-Christians living in remote districts were organized into political communities under the supervision and control of agents of this office. The principal work of these agents consists in looking for good markets for the products of the non-Christians, inducing them to take up permanent settlements, and teaching them to construct good houses and to improve methods of cultivation through use of simple tools and hand implements. During the year there were eight such agents working in Surigao, Mindoro, Bataan, Zambales, Pampanga, Rizal, and Tayabas.

While the account just given touches at some length the non-Christians of the regularly organized Provinces, it should, however, be stated that the main work of the bureau of non-Christian tribes is in the nine specially organized Provinces of Agusan, Bukidnon, Cotabato, Davao, Mountain Province, Nueva Vizcaya, Lanao, Sulu, and Zamboanga, where the appropriations authorized by law are mostly spent in order to bring about their rapid political, social, and economic development and place them on the same footing as the regular Provinces.

ADMINISTRATIVE INVESTIGATIONS

During the year representatives of the office were sent out to conduct various investigations. There were nine such investigations conducted, three of which were land cases, which were settled to the satisfaction of the parties; five were administrative cases; and the remaining one was an investigation of the financial condition of the Province of Sulu. Two of the five administrative cases were against superintendents of non-Christians for maladministration; one was against a municipal president for abuse of authority; and the rest were against two deputy governors charged with political activity and falsification of public documents. Of the two cases against superintendents of non-Christians, one was dismissed for lack of evidence and the other resulted in the forced resignation of the respondent. The cases against the two deputy governors were dismissed for lack of evidence.

Minor complaints against provincial and municipal officers were also received and disposed of. Twenty administrative cases against accountable officials, mostly involving shortage of funds, were submitted to the office for decision. In 13 of these cases the respondents were found guilty and removed from the service; 1 was reprimanded; 3 were transferred to positions involving no money or property responsibility; 1 was exonerated; and 2 of the cases were pending decision at the close of the year.

APPROPRIATIONS

A comparative statement of the total sums appropriated by the legislature and the sums expended by the bureau for the last three years are given below.

Year	Appropriations	Expenditures	Savings
1923	P614,237.00	P612,992.42	P1,244.58
1924	609,780.00	598,689.47	11,090.53
1925	601,097.08	582,507.35	18,589.75

From the above figures it will be noted that the appropriations for the bureau have been decreasing year after year, and, despite this fact, savings have been increasing. This was made possible by exercising the utmost economy.

INSULAR AID TO PROVINCES

A comparative statement of the disbursements made from this item is as follows:

Purpose	1923	1924	1925
General administration.....	P356, 200	P339, 620	P315, 970
Special purposes.....	103, 800	120, 380	144, 030
Total.....	460, 000	460, 000	460, 000

The principal expenditures under "General administration" consist of salaries, wages, and traveling expenses, while those under "Special purposes" are for public improvements, activities looking toward the material development of the Provinces, and the rehabilitation of the finances of the Provinces of Bukidnon, Lanae, and Sulu. The amounts given as aids were not given in lump sums but little by little, according to the actual needs of the Provinces and taking into consideration the progress of the collection of local revenues.

It is to be observed that the aids given for general administration have been decreasing, and the reason for this is the material development of the Provinces, most particularly Davao and Zamboanga.

REVENUE COLLECTIONS

A comparative statement showing the revenue collections in the special Provinces during the last three years is as follows:

Nature	1923	1924	1925
Insular fund.....	P916, 678. 50	P1, 110, 176. 66	P1, 253, 862. 66
Cedula.....	434, 875. 00	417, 685. 00	438, 950. 50
Land tax.....	560, 817. 01	587, 981. 50	668, 277. 78

It will be seen from the table that there was a great slump in the collection of cedula taxes in 1924. This was due to the fact that during said year peace and order in Lanao were frequently disturbed, and it was found difficult to collect the taxes. During the year under review, however, there were fewer troubles, and more revenues were consequently collected.

ASSESSMENT OF REAL PROPERTY

The assessed value of real property in the special Provinces which are subject to taxation was increased during the year, due to the revision of assessments, especially in Davao and Zamboanga. The total valuation of taxable real property in the nine Provinces was P53,334,880.20 in 1923, P59,621,678 in 1924, and P73,538,590.47 in 1925. The increase in 1925 over that in 1924 was P13,706,912.47 and over that in 1923, P20,193,710.27. Davao and Zamboanga registered the greatest increases, the assessed value of taxable property in Davao having jumped from P17,093,960 in 1924 to P23,266,760 in 1925, or an increase of P6,172,800, and in that of Zamboanga from P16,525,860 in 1924 to P18,862,330 in 1925, or an increase of P2,336,470.

BUSINESS ENTERPRISES OF THE PROVINCIAL GOVERNMENTS

The four stores—one in Nueva Viscaya and three in the Mountain Province—operated by the provincial trading systems were closed about the middle of the year. The closing was due to financial failures and in line with the policy

of discontinuing them when there are private interests which can operate such business and which would not take undue advantage of the ignorance of the non-Christian people. During the time that the trading stores were in existence they became the centers of intercourse between Christian and non-Christian inhabitants, and in this way fostered friendly relations between the two elements.

Due to the precarious financial condition, the Province of Sulu was forced to discontinue operating the ice and electric-light plant which it acquired in 1918 from the military authorities. The plant, including the building housing it, was sold at public auction, and the successful bidder bound itself with the Provincial Board of Sulu to continue the services of the plant to the town of Jolo.

The Zamboanga hydroelectric plant made a net profit of ₱34,165.85 during the year. This plant was constructed from money given as insular aid to the Province and from a loan of ₱250,000 granted by the insular government, and proved to be self-supporting and able to meet its obligations as they fell due.

RESERVATIONS

Land conflicts between Christians and non-Christians increased last year, and these occurred mostly in the Mountain Province and in the Province of Zambales and Bataan. The intrusion of Christian home seekers over homesteads already occupied by non-Christians is the root of all troubles. To protect the interests of the latter, steps were taken during the year to reserve lands already occupied by them.

In the case of Bataan, where Negrito settlements are small and scattered, no reservation of land was recommended, for the expenses of survey would not be justified. Instead, however, an understanding was had with the director of lands that all applications for homesteads will first be sent to the director of the bureau of non-Christian tribes before they are acted upon, so that the latter may have an opportunity to safeguard whatever interest any non-Christian may have on the homesteads applied for.

In the town of San Marceline, Zambales, 43,607,510 square meters of land was recommended to be reserved for Negrito settlement, and two other tracts in Botolan are being surveyed for similar purpose.

In the Mountain Province steps have been taken to reserve two large tracts of land in the sitios of Payavan and Lamat for the exclusive use of Ifugaos who have expressed their desire to take up homesteads.

AGRICULTURAL COLONIES

In the annual report of this department for last year and for the preceding years an account was given of the conditions of these colonies and the aims for which they were founded. Since the writing of our last report the general conditions of these colonies remained much the same. In the Cotobato colonies, which are the biggest, new homes were constructed, sanitary conditions improved, and roads resurfaced and reconstructed. The work of the administration centered mainly in the collection of the indebtedness of the colonies and encouraging the latter to plant more crops and cultivate the lands remaining unoccupied. The drought that occurred during the year, however, which damaged the crops, hampered the work of collection of the indebtedness of the colonists. The total collection for 1925 is ₱12,241.58, as against ₱36,773.57 for 1924, showing a decrease of ₱24,531.99.

Thetwo new colonies, namely, the Mailag agricultural colony and the Tawi-Tawi agricultural colony, which were opened in 1924, are very promising, and a number of Moros have already taken up lands in the new site.

SPECIAL SCHOLARSHIPS

The policy of granting scholarships to deserving students from the special Provinces was continued, and during the year there were 33 pensionados. They were distributed in various schools, and as far as possible they were sent to schools located in the Provinces instead of in Manila, where living expenses are high. However, this was done only in cases where the courses of instruction desired by the students were available in the Provinces. Many applications were received during the year, and those who obtained the best ratings.

in their respective schools and who were without means were selected. This policy will be continued, as it is desired to secure a high standard of scholarship.

A student who is appointed pensionado is required to sign a contract whereby he binds himself to serve the government after graduation for a period equal to the number of years he spent in his studies.

Among the pensionados, one, a daughter of Senator Hadji Butu, graduated from the Philippine Normal School at the end of the school year, two finished high school, and one will graduate in May from the Central Luzon Agricultural School. The daughter of Senator Hadji Butu will be assigned to teach in Jolo and the two who finished high school will be sent to the Baguio Military Academy.

EMPLOYMENT OF NON-CHRISTIANS

In keeping with the policy of training non-Christians in the affairs of government, more non-Christians were appointed to the service during the year, both in the central office and in the provincial governments of the special Provinces. In the Mountain Province 1,086 non-Christians were employed in 1925, as against 593 in 1924, excluding the city of Baguio, which had 51 non-Christian employees in 1925, as against 9 in 1924; in Sulu there were 243 in 1925, as against 186 in 1924; in Zamboanga, 184 in 1925, as against 156 in 1924; and in Agusan, 101 in 1925, as against 61 in 1924. In the central office there were 8 non-Christian employees in 1924, and this number was increased to 9 in 1925. No figures for the other Provinces can be given, as they have not as yet submitted their reports.

BALACTASAN SCIENTIFIC CENTER

This center, comprising an area of 14,400 hectares, was originally set aside for educational purposes. The expenses of maintaining this vast tract of land could not, however, be met by either the Province of Zamboanga or by the bureau of non-Christian tribes. In view of this fact and inasmuch as efforts to transfer it to other government offices failed, the improved portion thereof, consisting of 100 hectares, was sold at public auction. The land was sold for ₱5,000 and the improvements for ₱25,500. The proceeds of the sale of the improvements will be turned over to the Province of Zamboanga.

NON-CHRISTIAN DELEGATIONS TO MANILA

Consistent with the policy of fostering social intercourse between the Christian and non-Christian Filipinos, a number of non-Christians belonging to the best class in their respective places was sent to Manila to attend the 1925 Philippine Carnival Exposition. The delegation came from Zamboanga. Lanao could not send any delegate, due to conditions then obtaining, and the other Provinces lacked time to choose their representatives. In 1923, 30 visitors came to Manila; in 1924, 61; and during the year covered by this report only 12 were able to come.

PHILIPPINE CONSTABULARY

ORGANIZATION AND PERSONNEL

The authorized strength based on the 1925 appropriation was 396 officers and 6,325 enlisted men. At the close of the year 1925 the actual strength of the constabulary, including the medical division and the constabulary band, was 394 officers and 5,829 enlisted men, distributed throughout the archipelago in 162 stations, including detachments. There were 13 Americans and 381 Filipinos in the commission service. In 1924 there were 15 Americans and 375 Filipinos in the same service. One hundred and thirty-three companies of authorized strength, ranging from 29 to 71 enlisted men per company and commanded by 318 officers, composed the field working force throughout the islands, these men being strategically stationed with a view to maintaining peace and suppressing any disorders that might arise. A provincial commander in each Province, with station usually at the provincial capital, cooperated with the provincial governor and other local officials and was chiefly responsible for the efficiency of the companies and contributed to maintain peace conditions in his

Province. There are 12 officers performing duties as provincial governors, deputy provincial governors, ex-officio justices of the peace, and special tax collectors in Mindanao and Sulu and in the Mountain Province; 3 officers were on detached duty with other bureaus; 1 officer is a pensionado of the government, studying ordnance engineering in the Massachusetts Institute of Technology; and 1 is studying military science in Fort Benning, Ga.

There are at present two non-Christian cadets from the Mountain Province attending the constabulary academy. They were appointed in line with the policy of the government of appointing non-Christians whenever practicable. As soon as commissioned they will be assigned to duty with their own people.

A detailed account of the services of the constabulary in connection with the maintenance of law and order will be found in its accompanying annual report.

Aside from the regular duties of maintaining public order, the constabulary rendered great help in the elections held this year. In most cases provincial commanders were designated to represent the executive bureau in their respective Provinces. These performed their duties in a creditable manner and in a number of cases decided electoral questions to the entire satisfaction of the contending parties. The constabulary also intervened in disputes over ownership of land and conflicts between landlords and tenants. This was especially so in the case of the Provinces of Nueva, Ecija, Tarlac, Pangasinan, Pampanga, Bulacan, and Cavite, where an overwhelming majority of members of labor unions belong to the uneducated class. The constabulary also cooperated with the bureau of agriculture in its campaign on the eradication of anthrax and rinderpest, particularly in the rice-producing regions. In addition to these activities, the constabulary had sent 17,208 patrols, covering 1,191,486.64 kilometers. As in previous years, it devoted a great deal of its efforts in investigating and verifying applications for firearms. It made 177 opium raids, in which 318 persons were caught and approximately ₱19,000 worth of opium seized; 745 gambling raids, in which 5,245 persons were caught and money amounting to ₱25,273.94 confiscated; and arrested 81 persons for illegal fishing with dynamite. It captured 3 carbines, 4 rifles, 25 shotguns, 108 revolvers, and 28 muskets. It recovered during the year 265 carabaos, 28 horses, and 45 cows. It had, in all, 23 encounters with outlaws, and in these encounters it killed 72 outlaws, wounded 9, and captured 101.

FIREARMS

The total number of permits and licenses issued by the bureau to possess or carry firearms up to and including December 31, 1925, was 31,948, as against 28,401 for 1924, or an increase of 3,547.

In the district of Mindanao and Sulu the total number of firearm permits and licenses issued up to the end of the year was 3,876, as against 3,418 for 1924, showing an increase of 458.

At the close of the year there were 6,915 firearms owned by the municipalities, showing an increase of 199 over that in the preceding year.

MUNICIPAL POLICE FORCE

There were at the close of the year 6,815 men in the municipal police force, 15 of whom were corporals, 849 chiefs, 327 sergeants, and 5,624 privates. The average pay for chiefs of police was ₱41.13; that of sergeants, ₱27.81; corporals, ₱19.98; and that of privates, ₱19.65. As a matter of public safety, the constabulary has continued in charge of the municipal police of Cavite throughout the year; of the municipal police of Bulan, Sorsogon, up to December 26, 1925; and took charge of the municipal police of Cebu, Cebu, on October 31, last.

DISCIPLINE, CASUALTIES, RETIREMENT

Notwithstanding the fact that the constabulary was kept in continuous movement, its discipline was at a high standard. Companies, stations, and detachments were inspected by district inspectors, and defects noted were either corrected or remedied. In order to keep up this traditional standard of discipline and efficiency, it was found necessary to dismiss from the service 2 officers, force the resignation of 2, reduce in file 5, and to impose

administrative fines on 5 others. There were 949 trials by summary court, and 88 enlisted men were dishonorably discharged. Dunning 1925, 1 officer was wounded, 1 enlisted man was killed, and 17 were wounded. Five officers and 59 enlisted men retired under the constabulary pension and retirement law; 2 officers retired under the Cameña Act; 3 resigned of their own volition; 31 officers were promoted; and 23 officers were commissioned.

FINANCE

The total cost of maintaining the constabulary for the year 1925 was ₱4,888,976.74, as against ₱4,974,346.73 for 1924, or a decrease of ₱85,369.99. The income from various sources and activities amounted to ₱102,325.31 which is ₱45,536.45 more than that in 1924.

OFFICE OF THE PUBLIC WELFARE COMMISSIONER

In our report of the previous year we mentioned the main objectives or functions of the office of the public welfare commissioner for which it was originally created, namely, maternity and child-hygiene work, the taking care of the destitutes and other dependent classes of people, and the betterment of living conditions in the Philippine Islands. The same activities were given special attention by the office of the public welfare commissioner in 1925. There were new activities, however, added to this office during the year with the transfer thereto of the control and management of the city reformatories, which were formerly administered by the city of Manila, and the establishment of probation and parole work for delinquent children.

MATERNITY AND CHILD-HYGIENE WORK

The activities of the puericulture centers all over the islands described in our previous annual reports are too familiar to need repetition in this report. An increase of 18 centers was registered for 1925, the total number in 1924 being 300; as against 318 on December 31, 1925. The following table shows the accomplishments of centers and maternity houses for 1925. It will be seen that although the figures therein given for 1925 are incomplete, as several reports for 1925 have not as yet been received, yet the indications are that the accomplishment of the centers for 1925 will exceed that for 1924.

Accomplishments of centers and maternity houses, 1924 and 1925

	1925	1924
Registration:		
Manila.....	27, 971	27, 800
Provinces.....	87, 352	105, 472
Total.....	115, 323	133, 272
Attendance:		
Manila.....	163, 924	155, 363
Provinces.....	401, 866	402, 227
Total.....	565, 790	557, 580
Number of maternity houses:		
Manila.....	1	1
Provinces.....	12	11
Total.....	13	12
Number of cases taken care of in maternity houses:		
Manila.....	1, 894	1, 455
Provinces.....	1, 576	1, 766
Total.....	3, 470	3, 221
Home visits made by puericulture center nurses.....	526, 499	503, 393

The work of training puericulture center workers who are graduate nurses and postgraduate students in the maternity house and in the puericulture centers of Manila was continued during the year with even greater attendance than last year.

The office was greatly assisted in its maternity and child-hygiene work by the school of midwifery in Manila, which graduated 20 midwives during the year; the school of midwifery in Cebu, which graduated 18 students; and the school of midwifery in Bacolod, Occidental Negros, which graduated 12 midwives.

In its general welfare work the office cooperated with other bureaus, such as the Philippine health service, the bureau of science, the Philippine General Hospital, the Red Cross, and other agencies interested in child-welfare work.

In order to reward those provincial and municipal treasurers who are rendering service to puericulture centers as treasurers ex officio, the public welfare commission submitted to this department on December 5, 1925, a premium plan, giving them a certain amount of compensation per annum based upon the annual budgets of the centers. The plan was approved by this department under Act No. 2988 and is already in operation at the time this report is written.

DEPENDENT CLASS OF CHILDREN

There was handled a great amount of work by this office as a result of the transfer to its control and management on February 1, 1925, of the city reformatories for boys and girls, which formerly were under the direct administration of the city of Manila, pursuant to Act 3203. The city reformatory for boys was renamed Philippine Training School for Boys and the city reformatory for girls was designated as the Philippine Training School for Girls, in accordance with the provisions of that law. Two other institutions, namely, the government orphanage and the branch of the orphanage for non-leprous children, are also under the administrative control and supervision of the public welfare commissioner. The settlement home of the Asociacion de Damas de Filipinas, the House of the Good Shepard, and the American Guardian Association are private institutions, taking care of dependent children, operated either with government financial assistance or under the supervision of the government.

At the close of the year there were 248 children in the government orphanage at Makati, 497 in the Philippine Training School for Boys, 71 in the Philippine Training School for Girls, and 92 in the branch of the orphanage for nonleprous children. The children in the orphanage are doing well. Some are working as apprentices in shops or regularly employed, others are in the school for nurses, and a few are taking regular courses in the secondary schools.

The merit system was introduced in the training school for girls. As described by the public welfare commissioner, the girls were grouped according to ranks, namely, beginner, intermediate, and honor rank, and they accomplish the requirements in each rank by good conduct and by efficiency in work and in study. Since this system was instituted no child was recommended for pardon until she had attained her honor rank. This experiment proved very satisfactory, as it gave the girls incentive to behave well in order to earn their freedom. Forty-eight girls were returned to their parents upon expiration of their term, six girls were paroled to parents, and three girls were granted conditional pardon and placed in families to work under the supervision of the office.

Probation work for minor delinquents was started on March 13, 1925, pursuant to Act 3203. This work, though now in the Philippines, has a very promising future. In order to keep the office abreast with this movement in America and other countries, Mr. Poblador, the chief of the division of dependent children, was sent to attend and represent the Philippine Islands in the National Conference of Social Workers and the National Probation Association held in Denver from June 10 to 17, 1925. Mr. Poblador visited the different public-welfare organizations and the government centers of America and some countries in Europe.

During the year a juvenile court was organized, with Mr. Arsenio Roldan, formerly chief probation officer in the office of the public welfare commissioner and a returned pensionado, who was sent by the Philippine government to the United States to study juvenile delinquency, as judge. The first session of this court was held on December 21, 1925.

GENERAL WELFARE WORK

As in previous years, the office of the public welfare commissioner gave financial assistance to local private associations engaged in social-welfare work. Out of the public-charity fund, amounting to ₱145,000, appropriated by the legislature in the appropriation act for 1925, the Philippine Islands Anti-tuberculosis Society was allotted ₱36,000; the Asociacion de Damas Filipinas ₱7,200; the Cota de Leche, ₱12,000; the Associated Charities of Manila, ₱5,000; and the National Federation of Women's Clubs, ₱1,400. For the promotion, establishment, and maintenance of charitable and social work in general, the amount of ₱83,400 was allotted. From this last item the cash prizes awarded for the clean-up week, as well as the expenses for the operation of schools of midwifery and the maintenance of training centers for maternity and child-hygiene work, were taken. The allotment for each private charitable organization mentioned above was determined after considering their financial resources and ability to carry on the work expected in the office of the public-welfare commissioner.

Clean-up week was again observed in 1925 toward the middle of December, as in previous years.

FINANCIAL STATEMENT

The total amount spent by this office in 1925 to carry out its activities and those of private organizations receiving government aid was ₱557,210.97, as against ₱496,929.88 in 1924, representing an increase of ₱60,281.09. This increase in the expenditure was due to the new activity undertaken by this office during the year in connection with the probation and parol work for minor delinquents.

PHILIPPINE GENERAL HOSPITAL

At the close of the year under review, the Philippine General Hospital completed 15 years of its existence. The Southern Islands Hospital, located in Cebu and under the supervision and control of the Philippine General Hospital, completed its twelfth year.

The new storehouse was completed last April. This being a large concrete building, situated at the rear part of the campus and built on a higher ground, the hospital stock, worth ₱70,000, is no longer menaced by flood or fire, as in former years when this stock was kept on the ground floor of an old wooden house. The Guazon memorial, for the construction of which ₱20,000 was donated by the late Dr. Potenciano Guazon, one of the ablest surgeons in the Far East, and who, in life, was connected with the department of surgery, is nearing completion. This memorial will be devoted solely to the operation of charity cases. As soon as completed, it will be possible for the surgical department to expand its activities. Dormitory No. 2, a wooden building which was about to be condemned, has been completely overhauled. This building is expected to last for 10 more years.

Judging from the number of patients attended, the achievement of the Philippine General Hospital last year was greater than in the two previous years. During 1925, 79,918 patients were treated in the different departments of the hospital. Following is a comparative statement of patients treated or given medical aid in the different departments of this institution:

	1923	1924	1925
Treated in the wards.....	12,559	13,104	13,187
Free dispensary.....	48,448	49,322	51,514
Emergency division.....	3,492	3,118	3,203
Consultation office.....	3,060	3,441	3,199
Physical therapy department.....	3,838	3,832	4,931
Out-obstetrical service.....	1,009	1,418	1,356
Social service.....	5,018	3,368	2,528
Total patients.....	77,424	77,603	79,918

Of the 13,187 patients treated in the wards of the hospital, 12,760 were discharged and 427 remained on January 1, 1926. Of these 5,604 were males and 7,156 females. Of the 12,760 patients discharged, 8,383 recovered, 2,820

improved; 699 unimproved; 91 transferred to other hospitals; 3 absconded, and 764 died. The number of births in the hospital in 1925 was 1,908 or 132 more than in 1924. The rate of mortality was 5.79 per cent of the cases treated in 1925 as against 6.33 per cent in 1924. The number of days of hospital treatment was 167,362; it was 172,271 in 1924. The maximum number of patients in the hospital was registered on February 1, 1925, when it reached 496.

The present capacity of the Philippine General Hospital is 606 beds, or 3 more than the number of beds in the last 2 preceding years. In spite of this increased capacity the number of patients who were refused admission due to lack of beds numbered 3,990 as against 3,324 in 1924 and 2,449 in 1923. This only goes to prove that the people are realizing more than ever before the efficacy of hospital care and treatment.

The table below shows the accomplishments of the hospital in other services.

	1923	1924	1925
Number of operations (all classes).....	6,565	6,369	6,788
Number of dressings (all classes).....	119,547	125,174	120,811
Number of medicolegal cases.....	1,431	1,400	1,502
Number of ambulance calls.....	4,050	4,039	4,063
Number of prescriptions filled.....	99,262	104,911	97,530

The sum total of the funds of the Philippine General Hospital for the year from all sources was ₱1,059,054.81. Of this amount, ₱5,000 was contributed by the city of Manila to defray part of the expenses of the hospital for the care and treatment of city free patients and for the maintenance of out-obstetrical charity services within the city, and another ₱5,000 was donated to the Southern Islands Hospital by the municipal council of Cebu. This last amount is carried in the books of accounts as trust fund. At the close of the year no payment from this fund was yet made.

The total operating expenses of the Philippine General Hospital for 1925 were ₱864,648.28 as compared with ₱871,659.97 in 1924, or a decrease of ₱7,011.69. Although the number of patients cared for in 1925 was more than in 1924, the per capita rate for the past year is ₱5.16 as against ₱5.06 for the year previous, or an increase of ₱0.10 per capita. The smaller average number of days each patient stayed in the hospital during 1925 was responsible for this increase.

The earnings of the hospital derived from accommodations and subsistence, hospital fees and miscellaneous incomes amounted to ₱151,975.89 for 1925 as against ₱164,625.97 for 1924, showing a decrease of ₱12,650.08. This decrease was due to a comparatively small number of private-room patients admitted to the hospital during 1925 whose accommodations constitute the principal source of hospital income and to the smaller average number of days these patients spent in the hospital during the year.

SOUTHERN ISLANDS HOSPITAL

During the year the number of patients admitted to the hospital was 2,134, showing a decrease of 251 patients from that of the preceding year. The reason for this decrease was the fact that most of the patients admitted who were in a position to continue their treatment in the free dispensary could not be released as they were living in distant towns and islands. There was, on the other hand, an increase in the daily average number of patients in the hospital, which was 77.

The number of patients who were refused admission due to lack of beds totalled 1,298 as compared with 459 in 1924. In view of this increasing number of patients that are refused admission year after year, there is an imperative need for the expansion and extension of the activities and services of the hospital. The advantages and benefits of hospital treatment are being rapidly felt not only by the people of Cebu but also by the people in the neighboring Provinces.

There was a small increase in the number of births during the year, which was 53 as compared with 51 in 1924. The rate of mortality was reduced from 8.2 to 7.8 per cent. The total number of operations performed during the

year was 1,582 as compared with 1,516 in 1924; 208 of which were major and 1,374 were minor.

During the year the laboratory examinations performed were 2,897 as against 2,874 in 1924, or an increase of 25. The total number of patients attended in the free dispensary this year was 11,744 as compared with 12,249 for 1924, a decrease of 505 patients, the reason for this decrease being the existence of puericulture centers in Cebu which extend free consultation to mothers and children.

There were 20,696 dressings performed in the free dispensary and 22,396 prescriptions filled in the pharmacy during the year.

At the end of the last school year the school of nursing of the Southern Islands Hospital, which was established on April 1, 1918, graduated 14 nurses. In this school many of the Provinces in the Visayas and some in Mindanao are represented, indicating a wide spread of public appreciation and realization of the value and importance of the nursing profession. Considering the geographical location of Cebu, in which the school is situated, and the fact that almost 100 applicants are being turned down every school year on account of inadequate accommodations and insufficient funds, the school of nursing in Cebu is bound to assume in the not distant future the position and prestige of the school of nursing of the Philippine General Hospital.

The total operating expenses for the year 1925 were ₱134,733.20, as compared with ₱139,319.79 for 1924, or a decrease of ₱4,586.59. The average daily gross cost of operating the hospital was ₱369.13 and the average daily gross cost for the care in the hospital of each patient was ₱4.89 as against ₱5.20 in the previous year.

The earnings of the hospital for 1925 amounted to ₱33,659.63 as against ₱24,946.60 for 1924, or an increase of ₱8,713.03. Deducting the earnings from the gross operating expenses of ₱134,733.20, there is left a net operating expense ₱101,073.57. The total income of this hospital represented a refund to the government of 25 per cent of the hospital operating expenses.

CITY OF MANILA

MUNICIPAL BOARD

The new municipal board composed in the majority of Democrats whose members were elected on June 2, 1925, was inaugurated and organized on October 16, with Bienvenido Tan as president. The election of Antonio D. Paguia, one of the members elected, was not confirmed on account of a criminal case instituted against him. To take his place, Francisco Beech was, on December 4, 1925, appointed by your excellency.

During the year 106 ordinances and 329 resolutions were passed by the municipal board and approved by the mayor. Of the 106 ordinances, 39 were on appropriations, 34 on public works, 6 were ordinances suspending certain provisions of ordinances regarding public streets, billiards, etc., and the rest were ordinances on varied subjects. Of the 329 resolutions, 126 were on building permits, 63 on transfer of funds, 28 on sales of city property, 23 on public works, 25 on acquisition of lands, and the rest were resolutions on miscellaneous subjects.

The board held 105 ordinary and 21 extraordinary sessions during the year. The board on elections held 50 sessions, transacting election matters exclusively.

POLICE DEPARTMENT

Law and order was successfully maintained throughout the year.

There were 157 trials by the summary court in 1925 as against 100 in 1924, or an increase of 57.

Of the accidents reported by the police department as having occurred during the year, the greatest number is that of automobile accidents, totaling 2,288 in all, out of which 465 resulted in injury and 3 in death. Five hundred seventy-nine persons met with street-car accidents, 146 of whom were injured and 3 killed. Carromata or calesa accidents numbered 599, 167 of which resulted in injury and 1 in death.

The department made 26,595 arrests during the year as against 25,103 in 1924, showing an increase of 1,492. The offenses causing the greatest number of arrests are: Gambling, 10,845; cruelty to animals, 3,253; violations of public vehicle regulations, 2,236; theft, 1,451; disobedience to police orders, 738; vagrancy, 725; obstructing public streets, 490; violation of traffic regulations, 370; robbery, 309; breaches of the peace, 578; lesiones, 579; violation of the motor vehicle law, 556; misdemeanor, 326; estafa, 338; illegal possession of opium, 281; disorderly conduct, 276; violation of license regulations, 250; prostitution, 250; assault, 134; beggars in public streets, 159; and violation of sanitary regulations, 96. The rest are scattered.

The same policy adopted by this department of warning rather than making arrests for petty offenses has been and is being continued.

DEPARTMENT OF ENGINEERING AND PUBLIC WORKS

Public improvements.—The Mayhaligue lavatory (bath-laundry-closet) of which mention was made in our last annual report was completed during the year and was publicly inaugurated on August 29, 1925. The land and the building cost the city ₱14,954.70. Additions to the Sampaloc and Paco markets and improvements on the Santa Ana market costing the city about ₱31,723.86 in all, were also made. During the year four buildings were altered; the widening of one bridge and the construction of one new wooden bridge, both of which were mentioned in our last report, completed; and six streets were either opened, extended, or improved.

The area of the city streets is 2,049,951 square meters. This was kept in repair, cleaned, and sprinkled. Of this area, 38,302 square meters represent new streets opened in 1925. The asphalted area of streets was increased by 48,097 square meters; and 6,568 square meters of sidewalk, 2,507 lineal meters of curb, and 2,080 lineal meters of canal and drainage were constructed.

Inspection and permits.—The number of permits issued for gas installation tested and approved was 1,956 as against 2,098 for 1924 and 2,292 for 1923. One thousand nine hundred and fifty-six gas meters were inspected and ₱12,050 collected, as compared with 2,098 gas meters inspected and ₱11,843 collected in the preceding year.

The fees collected for boiler, motor, and machinery inspection for the last four years is as follows: 1922, ₱16,269.50; 1923, ₱17,378.50; 1924, ₱17,541; 1925, ₱15,896.

Two thousand one hundred and twelve projects for plumbing installations (installation, alteration, repair), the estimated cost of which was ₱347,423.10 were inspected during the year. In 1924, 1,493 projects, valued at ₱373,712.87, were inspected. Two thousand three hundred and seventy-seven plumbing permits were issued in 1925, as against 1,819 in 1924. The total number of building permits issued were 8,052, the fees collected amounting to ₱68,896.62; and miscellaneous permits issued were 2,244 with ₱14,613.07 collected for fees. The value of all construction, for which 10,296 permits were issued, amounted to ₱6,817,140, as compared with ₱5,804,150 in 1924; ₱7,325,860 in 1923, and ₱7,432,032 in 1922.

DEPARTMENT OF CITY SCHOOLS

Notwithstanding the lack of money, the annual enrollment in the day schools increased from 57,451 in 1924 to 57,856 in 1925. According to the population given in 1918 census, 20.2 per cent of the entire population of the city of Manila are enrolled in the public schools, as compared with 10.4 per cent in Pangasinan, 10.09 per cent in Iloilo, 9.9 per cent in Leyte, and 8 per cent in Cebu. Cities in the United States keep in their public schools from 17 to 20 per cent of their population.

The number of elementary and secondary pupils kept in the public schools increases yearly by no less than 2,000. This implies an urgent necessity to provide for more schoolhouses.

As regards the academic attainments of teachers very noticeable progress has been made. The number of teachers in 1925 possessing first-year attainments was 97 less than it was in 1924, and those possessing attainments equivalent to high school graduates was 82 more in 1925 than in 1924. Likewise the number of normal school graduates employed as teachers in the city of Manila

during 1925 was more than in 1924. The following table shows the academic attainments of teachers employed in the public schools of the city:

	1924	1925
Number of teachers having first year attainment.....	151	54
Number of teachers having second year attainment.....	165	129
Number of teachers having third year attainment.....	137	117
Number of teachers who are high school graduates.....	271	353
Number of teachers who are normal school graduates.....	302	332

Very satisfactory progress has also been recorded in the efficiency of instruction. Pupils now remain in schools longer than formerly; the number of repeaters is rapidly decreasing; and the distribution of pupils and students in the different grades is fast approaching normalcy.

FIRE DEPARTMENT

Fires.—One hundred and fifty-eight alarms were received during the year, which were 5 more than in 1925 and 4 less than in 1924. Of the total number of alarms received 13 were false and 7 were beyond city limits. The total fire loss during the year was estimated at ₱623,430.50 as against ₱1,327,685 in 1924, ₱480,699 in 1923, and ₱1,310,253 in 1922. Of the number of fires registered during the year, 92 were attributed to carelessness; 23 accidental; 12 incendiary; 4 suspected incendiary; and 6 to unknown causes. Fifty-four of these fires originated in dwellings, 19 in bodegas, 16 in transportation vehicles, such as automobiles, trucks, cascos, street cars, etc.; 7, electric transmission wires; 7 in factories, and the rest were scattered.

DEPARTMENT OF ASSESSMENT

Assessment.—The total assessed valuation of land listed for taxation on January 1, 1925, was ₱106,790,702, as compared with ₱106,343,387 on January 1, 1924, showing an increase of ₱447,315. A revision of the assessed value of certain parcels of land in the districts of Santa Ana, Ermita, Malate, Paco, and Tondo was made during the year.

The taxable improvements in the city were assessed on January 1, 1925, at ₱139,181,356, as against ₱136,135,336 in the preceding year. Unlike the valuation of land, the valuation of improvements is subject to constant change and fluctuation as a result of the natural process of depreciation and other elements of destruction which circumstance makes it necessary to revise assessed valuation of improvements as often as possible in order to maintain a just and equitable basis of assessment. During the year nearly 500 houses in different districts of the city were reassessed and the aggregate valuation was reduced by ₱657,000. Three hundred and twenty-one buildings assessed at ₱75,375 were destroyed and dropped from the tax rolls beginning January 1, 1926. The total assessed value of land and improvements in 1925 was ₱245,972,058, as against ₱242,478,723 in 1924, and ₱237,166,872 in 1923.

In 1925, 10 new buildings assessed at ₱58,800 were completed and were declared not subject to taxation as they came within the exempt class. Certain lands and buildings belonging to religious orders heretofore carried in the tax rolls at an aggregate valuation of ₱173,976 were also declared exempt from taxation. On the other hand, real estate heretofore exempt from taxation were included in the tax rolls at an assessed valuation of ₱50,816.

The total value of exempt property in the city of Manila from 1920 to 1925 is shown in the table below:

Year	Land value	Improvement value	Total
1920.....	₱48,700,999	₱32,822,835	₱81,523,834
1921.....	49,110,652	52,046,398	101,157,050
1922.....	48,880,960	52,711,662	101,592,622
1923.....	48,859,900	52,901,567	101,760,467
1924.....	66,916,639	51,983,422	118,900,061
1925.....	49,842,295	53,324,780	102,167,075

Exempt property has been classified as follows:

Owner	Land value	Improvement value	Total
Protestant Church.....	P1,036,878	P2,898,945	P3,935,923
Insular government.....	20,571,047	17,901,227	36,472,274
Army.....	4,071,403	3,192,990	7,264,393
City of Manila.....	16,291,228	6,711,339	23,002,567
Roman Catholic.....	5,827,796	21,348,158	27,175,954
Philippine Catholic Church.....	9,837	61,400	71,237
Miscellaneous.....	1,034,006	1,210,721	2,244,727
Total.....	49,842,295	53,824,760	102,167,075

DEPARTMENT OF FINANCE

Finance.—The total cash collection of the city government during the year amounted to ₱7,997,192.12 as compared with ₱593,328.84 for the preceding year, showing a substantial increase of ₱403,862.28.

The total expenditures of the city for 1925 from its general, street and bridge, and school funds reaching the amount of ₱7,037,331.28, which, compared with those for 1924 amounting to ₱6,703,929.94, shows an increase of ₱333,401.32.

The balance of the bond issue fund at the close of business on December 31, 1924, was ₱325,747.93; the expenditures made therefrom during the year amounted to ₱243,092.64, thus leaving a balance of ₱82,655.29 on December 31, 1925, as compared with ₱325,747.93 in the preceding year. This balance of ₱82,655.29, however, is already obligated, the greater portion thereof having been put aside for the construction of the Malate School, of the Jones Bridge, and of storm drains for Malate, Santa Cruz, and Tondo.

CITY INSANE ASYLUM

The total number of inmates kept in the asylum during the year was 140 as compared with 195 in 1924 and 203 in 1923. Of the 140 inmates in 1925, 67 were males and 73 females. During the year, 105 were discharged after they had been examined by an authorized representative of the bureau of health. Of these 49 were males and 56 females. There were 21 deaths registered in 1925 as against 54 in 1924 and 45 in 1923.

LAW DEPARTMENT

During the year there were 2,793 criminal cases filed by the office of the city fiscal in the court of first instance, including those appealed from the municipal court, as compared with 2,123 in 1924; and 2,025 criminal cases filed in the municipal court in 1925 as compared with 2,008 in 1924. There were 2,134 cases brought to this office and dropped after investigation as compared with 1,188 in 1924. Of the criminal cases filed in the court of first instance including those appealed from the municipal court, the most numerous were those dealing with violation of ordinances numbering 638, next comes gambling with 443, then prostitution with 261, theft with 223, estafa with 208, and physical injuries, 175. There were 1,536 convictions in 1925 as compared with 1,119 in 1924; 355 acquittals in 1925, as against 163 in 1924, and 610 dismissals in 1925 as compared with 417 in 1924.

MUNICIPAL COURT

The only important change reported in the organization of this court was the addition of the third branch which began to function on December 21, 1925, with the assumption of office of Arsenio Roldan as presiding judge. This branch partakes of the character of a juvenile court. The place of Judge Carduño as presiding judge of the first branch who was appointed judge of the Court of First Instance of Capiz was filled by Mr. Bejasa, an assistant attorney of the bureau of justice and later by Jose Bernabe who was permanently appointed.

CITY OF BAGUIO

CITY COUNCIL

Changes in the membership of the city council took place during the year. On June 6, 1925, Colonel Taggart was relieved from his position as vice mayor by Maj. E. Speth, United States Army, retired. And as a result of the last general elections, Eugenio Plata and Nicanor Sison were declared councilmen and took oath of office on October 16, 1925, relieving Pascual Pacis and Martin Carreon. At the end of the year, therefore, the city council was composed of the following: Hon. N. J. Halsema, mayor; Maj. E. Speth, United States Army, retired, vice mayor; Lieut. Col. C. E. Livingston, P. C., Eugenio Plata and Nicanor Sison, councilmen.

At the 30 meetings held by the city council, 5 ordinances were passed and 76 resolutions adopted. Some of the subject matters covered by these resolutions are: Establishment of night intermediate classes in the city of Baguio; construction of the Teachers' Camp bridge; petition for the establishment of a branch of the College of Liberal Arts, U. P., in Baguio; and organization of the Baguio Deposit Station Library into a branch of the Philippine Library.

The city council organized itself twice during the year as board of tax appeals under the provisions of section 2567 of the administrative code, and acted on three appeals, one relating to the request for exemption from taxation of a parsonage which was denied as same was not adjacent to a church, and two on the reduction of assessment which were partially sustained.

THE IGOROT ADVISORY COUNCIL

As stated in our last annual report, the charter of the city of Baguio provides for an advisory council of five members composed of Igorots, the main function of which is to advise the city council on matters of general interest to the non-Christian inhabitants of the city. During the entire year the Igorot Advisory Council was convened by the mayor only two times. The councilmen were not inclined to attend meetings, claiming they had no complaints to make nor desired improvements.

ACCOMPLISHMENTS

The outstanding accomplishments reported for the year by the office of the city engineer that are worthy of special mention are the following: Installation of one electric fountain in the center of the Burnham Park Lake; the completion of the road around Burnham Park; excavation and grading approximately 2,600 square meters of earth from the sidewalk on Session Road near Market Plaza; construction of Teachers' Camp bridge, steel arch cantilever type, (about 95 per cent completed); improvement and general repairs of Santo Tomas Resthouse including installation of electric lights; laying penstock extension for higher head on the Military Creek and connecting both penstocks of the old and new power plants; purchase of different kinds of young ornamental foreign plants and seeds for reforestation; general improvement of Burnham Park grounds; installation of water pipe line from City Market to Trinidad Bridge and from City Market to Otek Street and sewer line from Kayang Street to Abanao Street; changing portion of the main pipe line of the gravity system; completion and connection of 5,000,000 liter water tank in Idisau; extension of street lights from Wright Park Circle to one-halfway of Gibraltar Road, and from Wright Park Circle following Bua Road including one-half of Outlook Drive, and from Government Center to below Pines Hotel along Street No. 56, and completion of a nine-hole golf course. Sixty building permits were issued during the year, 27 of which were for residences; 1 for a steam laundry, 8 for garages, and 24 for additions, alterations, and repairs. The total estimated cost of these buildings is ₱178,581 or ₱50,482 more than that of the previous year.

The table below is a comparative statement of the receipts, expenditures exclusive of depreciation, and profits of the following utilities and operations under the supervision of the city engineer during the years 1924 and 1925:

	1924			1925		
	Receipts	Expenditures	Profits	Receipts	Expenditures	Profits
Telephone system.....	P16,324.20	P14,293.64	P2,030.56	P17,490.52	P13,005.44	P4,485.08
Ice plant.....	12,438.18	9,718.58	2,719.60	16,403.90	9,221.24	7,182.66
Electric-light plant.....	37,319.02	24,363.62	12,955.40	75,888.66	12,596.23	63,292.43
White trucks.....	16,351.50	7,300.48	9,051.02	15,372.42	7,129.70	8,242.72
Ford trucks.....	3,402.90	3,234.94	167.96	2,916.00	2,066.86	849.14
City mules.....	2,836.00	2,216.56	619.44	1,944.00	1,388.88	555.12
Concrete pipes.....	9,345.00	8,821.13	523.87	11,781.10	7,682.83	4,098.27
Rock crusher.....	15,265.46	13,803.78	1,461.63	16,307.94	14,662.71	1,645.23
Pail and garbage.....	8,496.17	7,188.49	1,297.68	9,518.09	5,754.74	3,763.36
Water supply.....	19,474.31	14,853.71	4,620.60	25,535.37	21,590.63	3,944.74
Total.....	161,241.74	103,794.93	35,446.81	193,158.00	95,099.26	98,058.74

It should be stated in this connection that the management of the public utilities in Baguio is entrusted to the city engineer who is at the same time the mayor of the city.

POLICE

The police made 521 arrests in 1925 as compared with 367 in 1924 and 416 in 1923; impounded 232 animals as against 163 in 1924 and 234 in 1923, recovered P2,372.88 worth of articles in 1925 as compared with P3,018.35 in 1924 and P6,119.40 in 1923. Of the 521 arrests effected in 1925, 200 were Christian Filipinos, 288 were Igorots, 21 were Chinese, 10 were Japanese, 1 was a European, and 1 was an American.

JUSTICE

The city attorney reports that his office handled 213 criminal cases of which 156 were convictions, 3 were acquittals, and 21 were dismissals. The justice of the peace court handled 210 criminal cases of which only 1 was not disposed of at the end of the year. It also disposed of in all 21 civil actions of which not one was appealed to the higher court. The amount of fines and fees collected by the justice of the peace during the year was P1,600.89 as compared with P1,518.25 in 1924 and P1,116.05 in 1925.

HEALTH AND SANITATION

The sanitary condition of the city of Baguio continued to be excellent throughout the year. Notwithstanding the fact that a large number of the present population of the city (8,000) consists of non-Christians, yet there were only 12 deaths per thousand. This low death rate is believed to be unsurpassed by any town or city in the Philippine Islands. The rate of infant mortality is likewise very low, being approximately 12 per cent. Since the employment of a nurse infant mortality has been and is being considerably reduced. Baguio has a water supply which has been found to be safe by expert bacteriologists.

FIRES

Four fires occurred during the year with an estimated damage of P1,651.25.

PUBLIC INSTRUCTION

The enrollment of pupils in the schools is steadily increasing. As a matter of fact when the schools were reopened last June the authorities were forced to refuse admission to many pupils from the lowlands. This is, indeed, an encouraging sign and speaks well for the future of public education among the mountain people. Even now much progress has already been attained by the natives in the use of English.

With the establishment of the normal course in Baguio more natives are being trained annually for the teaching profession and it should not be long before most of the teachers in and around Baguio will be natives of the mountain Province.

FINANCE

The financial standing of the city at the close of the year is given below :

Source	1924	1925	Increase	Decrease
GENERAL FUND				
Balance January 1	P202,542.20	P216,309.60	P13,767.40	-----
Receipts during year	516,059.39	558,792.21	42,732.82	-----
Total	718,601.59	775,101.81	56,500.22	-----
Expenditures during year	502,291.99	608,976.07	106,684.08	-----
Balance	216,309.60	166,125.74	-----	P50,183.86
WATERWORKS FUND				
Balance January 1	10,175.33	11,290.00	1,114.57	-----
Receipts during year	19,485.70	25,535.37	6,049.67	-----
Total	29,661.03	36,825.37	7,164.34	-----
Expenditures during year	18,371.03	29,579.64	11,208.61	-----
Balance	11,290.00	7,245.73	-----	4,044.27

As can be seen from the foregoing table an increase in expenditures of ₱117,892.69 was incurred over that of the preceding year. This was due mainly to the fact that more public works were undertaken during the year. The receipts for the year, however, also show an increase of ₱48,782.49 over that of 1924. This increase is attributed to the successful and efficient management of public utilities including the market and slaughterhouse. The increase profit in city services was partially due to motorizing the rock crusher and the installation of electric stoves as well as the larger number of people that visited Baguio during the rainy season.

ASSESSMENT

The total assessed value of real estate in 1925 was ₱8,945,410 as against ₱8,823,920 in 1924, ₱8,810,036 in 1923, and ₱8,690,967 in 1922. The total value of real estate exempt from taxation was ₱6,271,850 as against ₱6,237,713.20 in 1924, ₱6,107,390 in 1923, and ₱6,127,275 in 1922. In this connection, it should be stated that the city assessor proposes to revise assessment values of all properties in Baguio during the coming year.

EMPLOYMENT OF NON-CHRISTIANS

The policy laid down by the council of state to employ non-Christians whenever possible had been closely adhered to by the city authorities. The year under review was characterized by an increased interest on the part of the natives to seek employment in the government other than in the teaching field. The difficult task of inducing the natives to accept employment has apparently been partly accomplished and there is now a constant influx of natives in the city. The assistant city secretary, the assistant librarian, some clerks and messengers in practically all the offices of the city government and some chauffeurs in the Benguet Auto Line are natives of the mountain Province.

ELECTION

The election in Baguio was held in the usual peaceful manner without disturbance of any kind. There were six candidates for the elective positions of councilmen. Nine hundred and fifty electors registered and 821 voted.

CONVENTIONS

As a convention city, Baguio is becoming more and more popular. The conference and conventions of the Atenco students, the students of the University of the Philippines, the provincial treasures, the district auditors, the Y. M. C. A., the Catholic students, the district foresters, and the post office inspectors were all held in Baguio during the year.

METROPOLITAN WATER DISTRICT

The Metropolitan water district completed its sixth year of official life on July 1, 1925, having been organized on July 1, 1919.

The same personnel who made up the district board in 1924 served also in 1925 with the exceptions of Messrs. Panis and Melendres, their places having been taken by Messrs. Tan and Andres Pascual following their election as president of the municipal board and provincial governor of Rizal, respectively. The position of assistant manager formerly occupied by Federico Muñoz who died in February, 1924, continued to be vacant. In order not to leave the manager without proper help to carry on the investigation and construction work on the Angat project for permanent extension of the water supply, an important project estimated to cost about ₱12,000,000, the services of A. D. Williams, director of public works, as consulting engineer, were secured, in addition to the employment of another engineer.

For purposes of economy, the position of treasurer was combined with that of the secretary of the board, under the title "secretary-treasurer."

OPERATION

The policy of the district has always been to give the residents of the district as good a service as is physically possible, consistent with economy and efficiency. The watershed, the headworks, the road and telephones, the pipe lines and tunnels, the Santelan pumping station, the deposito, the Mariquina River curtain wall, the new reservoir and grounds were all reported in good condition. The chlorination work was carried on without interruption. The distribution system was kept in good shape throughout the year, all leaks having been repaired as soon as discovered. The pipes were blown off whenever any accumulation of sediment showed in the low sections of the pipe line. Aside from the work on the Angat project, the system was extended and a considerable amount of ordinary new construction undertaken.

PUBLIC AND FIRE HYDRANTS

At the close of the year, there were 337 public hydrants as against 336 in 1924, 335 in 1923, and 330 in 1921, in Manila; 15 public hydrants in Caloocan, the same number as last year, and none in Pasay, San Juan, or any other part of the district. The construction of new public hydrants has not been encouraged in order to provide the people with cleaner water.

At present there are 801 fire hydrants in Manila as against 779 in 1924, or an increase of 22; 17 in Pasay as against 11 in the preceding year; 11 in Caloocan, no increase; 5 in San Juan, no increase; and 1 in San Pedro Makati (new installation); making a total of 834 in 1925, as against 806 in 1924, or a total increase of 28.

SERVICES AND CONSUMPTION

On December 31, 1925, the total number of services maintained by the district was 18,363 as against 16,956 in 1924, and 15,458 in 1923. The total increase in the number of services during the last six years average over 1,400 services per annum. This large annual increase is due to the policy of discouraging the installation of additional public hydrants. This policy is in turn responsible for increased revenues and at the same time also furnishes the people with cleaner water at lower cost. The following table shows the annual increases in services since 1920:

Year	Increases in services
1920 -----	1,163
1921 -----	1,318
1922 -----	1,420
1923 -----	1,576
1924 -----	1,499
1925 -----	1,407

The per capita consumption in 1925 was about 73 gallons per day.

SERVICE OUTSIDE CITY LIMITS

An additional cast-iron pipe line was built in Pasay. A 6-inch cast-iron pipe line in San Pedro Makati, the cost of which was donated to the district by Mr. Canson, and an additional 6-inch cast-iron pipe donated by the San Juan Addition Co. to the district were likewise built. Aside from these, there were built in San Juan several small pipe lines which were also donated by the San Juan Development Co. and the San Juan Addition. These small pipes are only of a temporary nature and will be replaced by larger mains in the course of a few years.

The income from water services and fire hydrants at Caloocan, Pasay, San Juan, Parañaque, and San Pedro Makati or services outside the city limits was ₱56,928.63 as against ₱44,326.70 for 1924, or an increase of ₱12,601.93. The income from the same services in 1923 was ₱43,461.79; in 1922, ₱33,127.25; and in 1921, ₱23,745.43.

SEWERAGE SYSTEM

On the whole, the sewerage system worked satisfactorily during the year. Six hundred and eighty-two minor repairs and cleaning was done in 1925, as against 975 in the preceding year. Aside from these, there were two major repairs of consequence which had to be made. The 18-inch vitrified pipe sewer on Calle Aduana from the Intramuros Wall to the fort works pumping station settled to such an extent that it did not draw off as fast as it should. For the repair of this sewer the sum of ₱23,000 was allotted but only ₱14,770.21 was actually spent as the district could use old pipes. The repair work was completed during the dry season of 1925. An appropriation of ₱20,000 was set aside to cover the cost of repairs on the 42-inch cast-iron pipe main sewer outlet in the Manila Bay. Inasmuch, however, as it was found imperative to operate the pumping station for nearly 24 hours daily and it was not desired to discharge the whole body of sewage on the Tondo foreshore, the work did not start until late in December, 1925, to be completed by January 15, 1926. The repair work is estimated to cost the district about ₱10,000.

The income from the sewerage system for the year 1925 was ₱268,942.23, about ₱4,000 more than that for the preceding year.

FINANCE AND LEGISLATION

The total income of the district for 1925 amounted to ₱1,472,563.79 and the total expenditures to ₱1,051,565.69, thus giving it a net profit of ₱420,998.10. The total income is ₱110,454.98 in excess of 1924, and the total expenditure is ₱32,375.69 in excess of 1924. The net profit is ₱78,079.29 in excess of 1924. The cash on hand amounts to ₱1,109,494.96, as against ₱932,971.15 in 1924, registering an increase of ₱176,523.81.

The net worth of the Metropolitan Water District as of December 31, 1925, is ₱7,622,478.22 as against ₱3,095,186.48 on July 1, 1919, showing an increase of ₱4,527,291.74 in its net worth since its organization in 1919, or very nearly an increase in value of ₱700,000 per annum.

The district has deposited in the bank the sum of ₱2,276,741.91, the unexpended balance of the new bond issue funds which is carried in a savings account and nets the district an annual income of 4½ per cent. The 1925 Philippine Legislature passed a law authorizing the sale of the second ₱6,000,000 worth of bonds. With the passage of this law, the maximum quota of ₱12,000,000 assigned to the district for the floating of bonds as authorized by Act 2832 has been reached.

On November 30, 1925, the sinking fund of the Metropolitan Water District amounted to ₱4,112,030.90, or an increase of ₱313,304.54 over that of the preceding year. This fund is considerably greater at the present time than what the law requires and brought in a return of about 4.2 per cent per annum, the legal requirement being only 3½ per cent.

CONTROVERSY BETWEEN THE CITY OF MANILA AND THE METROPOLITAN WATER DISTRICT

The long standing controversy between the city of Manila and the Metropolitan Water District with regard to the payment of bills for water service rendered the city which the latter refused to pay on legal and equitable grounds was brought before the supreme court and was decided in favor of the city

of Manila. The manager of the Metropolitan Water District reports that the decision of the supreme court may gravely prejudice the continuous successful operation of the Metropolitan Water District, and if sustained by the United States Supreme Court to which it was appealed may mean a possible readjustment of the rates charged to keep the Metropolitan Water District a self-supporting organization.

BOARD OF MEDICAL EXAMINERS

During the year the board conducted four examinations for the registration of physicians and midwives as provided by law. These examinations were held in the months of February, May, August, and November. Of the 125 candidates that were admitted in the physicians' examinations, 96 passed. In the midwives' examinations 21 candidates were admitted and 7 passed. Eight midwives were registered without examination under Act No. 3200.

The following table gives the yearly registration of physicians and midwives since 1918:

	1918	1919	1920	1921	1922	1923	1924	1925
Physicians.....	77	83	77	144	95	73	53	96
Midwives.....	33	20	33	37	121	53	49	15

During the year the board met thirty-six times for the purpose of transacting matters regarding examinations, ethical standards of the medical profession, investigation of certain physicians for alleged malpractice and of illegal practitioners of medicine. As a result of the campaign of the board to free the country of illegal practitioners many were prosecuted, several of whom were convicted. Among those convicted and sentenced to imprisonment were many chiropractors.

The fees collected from examinations and registrations, issuance of duplicate certificates and of medical student's entrance certificates amounted to ₱6,613, and the fees paid to members of the board was ₱4,570.

BOARD OF PHARMACEUTICAL EXAMINERS AND INSPECTORS

The board gave two examinations for the registration of pharmacists during the year. Of the 210 candidates who submitted to these examinations, 171 passed and 39 failed. The board also registered 286 apprentices in pharmacy. Forty-seven pharmacy clerks were examined, 36 of whom passed and 11 failed. Eleven Chinese druggists were examined and registered.

The total number of pharmacists registered in the Philippine Islands as of December 31, 1925, was 1,336 as against 1,141 in 1924; and that of pharmacy clerks, 1,223 as against 1,187 in 1924.

At the close of the year there were 720 pharmacies and drug stores in the entire archipelago as compared with 640 in 1924. The city of Manila has the largest number of pharmacies and drug stores, with 156; Laguna and Tayabas come next with 63 each; Rizal has 51; Batangas, 47; Pampanga, 44; Pangasinan, 28; Nueva Ecija, 21; Cavite, 20; Cebu, 19; Ambos Camarines and Occidental Negros, 18 each; Tarlac and Albany, 15 each, and Iloilo, 13. The other Provinces not mentioned have less than 10.

Under Act 2762 and Act 2342 as amended by Act 2680, the board of pharmaceutical examiners and inspectors acts at the same time as pharmacy inspection board. As such, it is its duty to pass upon all questions relative to the enforcement of drug laws and regulations. During the year, 558 samples of pharmaceutical products were collected and analyzed. Of these 333 were found to be of good concentration and 225 were adulterated or misbranded. The pharmaceutical products the samples of which were found adulterated or misbranded were excluded from sale.

Four hundred eighty-five pharmacies and drug stores scattered in the Provinces near the city of Manila were inspected. Pharmaceutical establishments located in distant Provinces could not be reached by the board due to lack of appropriation for purposes of inspection.

Due to the close supervision which the board exercised over pharmacies and drug stores, very few cases of violation of the pharmacy laws and regulations were recorded.

The fees collected by the board from examinations, registration of pharmacists, pharmacy clerks, apprentices in pharmacy, Chinese druggists, Chinese druggists's clerks and sellers of household remedies was ₱7,905.40 as compared with ₱7,368.10 for 1924 and ₱4,957.60 for 1925. The expenses of this board as authorized by law was ₱4,000 yearly compensation for the chairman and ₱10 per diem to each of the two members for each session attended by them, not exceeding ₱40 per month each.

BOARD OF DENTAL EXAMINERS

This board gave two examinations during the year, one in June and another in December. Seventy-four candidates in all were admitted and examined, 64 of whom passed, and 10 failed. The following number of dentists registered each year since 1917: 1917, 74; 1918, 45; 1919, 18; 1920, 36; 1921, 44; 1922, 35; 1923, 51; 1924, 50; 1925, 64.

As a result of the vigorous campaign conducted by the board in an effort to free the country of fake dentists, five persons were prosecuted and convicted by the court for illegal practice of dentistry. The income of the board from examinations and registrations of dentists was ₱3,285, as compared with ₱3,410 for 1924. The fees paid to the members amounted to ₱1,110.

BOARD OF OPTICAL EXAMINERS

Two examinations for the registration of opticians, one in April and another in October, 1925, were given by the board. In these two examinations 23 candidates were examined, 11 of whom passed, and 12 failed. The yearly registration of opticians from 1918 to 1925 is as follows: 28 in 1918, 112 in 1919, 9 in 1920, 16 in 1921, 11 in 1922, 20 in 1923, 4 in 1924, and 11 in 1925. The campaign to clean the islands of illegal practitioners was resumed and resulted in the prosecution of several persons, one of whom was convicted.

The examination and registration fees collected amounted to ₱610. The sum paid to the members of the board amounted to ₱345.

THE BOARD OF EXAMINERS FOR NURSES

The board held its regular semiannual examinations during the year, at which 261 candidates were admitted. Of these, 225 passed and were registered. Six candidates were registered without examination under Act 3025.

Following the precedent established in April, 1924, and in order to avoid expenses on the part of the nurses in the Provinces who desire to take the examinations in Manila, the board held in April, 1925, examinations in Zamboanga, Cebu, and Iloilo. The examinations in these places, as well as in Manila, were given simultaneously. The board secured the cooperation of the district health officer, the provincial nurse of the Philippine health service, and the provincial nurse of the public-welfare commissioner in the Provinces where the examinations were held. The rules and regulations governing these provincial examinations were prepared by the board and duly approved by this department. On the whole, the result of these examinations was satisfactory, no irregularities having been reported to have been committed. The semiannual examination for October, 1925, however, was held only in Manila, because the candidates were few.

During the year the board held 12 regular meetings and 12 special meetings. It also held five administrative investigations relating to violations of the nursing law.

On December 31, 1925, there were in all 1,742 registered nurses scattered throughout the Philippines, as compared with 1,511 in 1924. The majority of these are government nurses working in puericulture centers and hospitals, in the Philippine health service, in the office of the public-welfare commissioner, and the rest are in private practice.

The examination and registration fees collected amounted to ₱2,720. The sum paid to the members of the board as fees for their services amounted to ₱2,457.

PENSIONADOS

Twenty new pensionados were appointed during the year under full scholarship and nine under partial scholarship.

The rules and regulations governing the appointment of pensionados were revised and amendments introduced. The most important of these amendments was that which raised the requirement for appointment by authorizing the selection of pensionados from only those who have completed professional or vocational courses in colleges or universities of reputable standing and who have made a record for ability and efficiency in their respective profession or occupation either in private practice or in the government service. Government officials and employees with long years of creditable service and considerable experience were excepted from this rule.

During the latter part of the year, the Philippine Legislature required that the selection of pensionados beginning this year (1926) shall be by competitive examinations to be held under the supervision and control of the director of civil service in the Philippine Islands or of the Bureau of Insular Affairs in the United States and under such rules and regulations as the pensionado committee may promulgate. At the time this report is written the rules and regulations on this new feature of the pension system have already been approved by the pensionado committee and communicated to the director of civil service and the Bureau of Insular Affairs.

The total number of pensionados full and partial so far appointed by the government for the last four years is as follows:

Years	Full	Partial	Years	Full	Partial
1922.....	11	0	1924.....	30	11
1923.....	29	6	1925.....	20	9

During 1925 there were granted to pensionados and university fellows 5 doctorates, 2 doctorates (law), 14 master's degrees, 9 bachelor's degrees, and 2 bachelor's degrees (three-year course only). Two government students were elected to Sigma Xi and one to associate membership in Sigma Xi; one was elected to Tau Beta Pi, a national honorary engineering society; two were admitted to the United States Supreme Court bar; three were elected to national engineering or scientific societies; one secured the doctorate, cum laude, from the University of Chicago; and another secured the degree of master of forestry, cum laude, from Yale University.

On the whole, our pensionados maintained very satisfactory records in their school work, observed good behavior, and enjoyed excellent health throughout the year.

In addition to meeting the pensionados who arrived at Seattle in September, 1925, the Philippines pensionado agent visited government students in 14 different cities. Conferences were had with all of them, and in many cases with college professors and others interested in the welfare of Filipino students. A number of schools were also visited and the living accommodations of a large number of pensionados inspected. At these interviews minor difficulties and complaints of students were adjusted.

The total amount expended from the pensionado fund for 1925 was ₱289,077.34, of which ₱38,685.66 was expended at Manila and ₱250,391.68 at Washington. The average annual expenditure for each student was ₱3,097.86 in comparison with ₱3,059.50 in 1924, or a net increase per capita of ₱38.36. For purposes of comparison the average annual expenditure per capita for the past four years is given as follows: 1922, ₱3,227.20; 1923, ₱3,208.08; 1924, ₱3,059.50; 1925, ₱3,097.86.

Notwithstanding the fact that the general policy of rigid economy was strictly observed during the year, the Philippines pensionado agent incurred a deficit of ₱9,077.34 for 1925. This deficit was due to unavoidable and unforeseen causes. Legislation will be secured to cover this overdraft.

DISPOSITION OF THE CAMP CLAUDIO SITE

In our report last year regarding the disposition of the Camp Claudio site we stated that the militia commission decided to return the land to its

former owners, but this plan could not be carried out, as it was found to be disadvantageous to the government. Consequently it was decided to retain the land to be administered under the public land act.

NATURALIZATION

As custodian of the papers of foreigners who are naturalized as citizens under act 2927, I beg to report that 42 foreigners were granted naturalization papers. This number includes cases as far back as 1922 but only reported in 1925. The nationalities of these naturalized citizens are: Spaniards, 17; Syrians, 5; Chinese, 5; Turks, 3; French, 3; Germans, 2; Austrians, 2; English, 1; Afghanistan, 1; Russian, 1; Rumania, 1; Pole, 1.

Three copies of each of the 1925 annual report of the bureaus and offices under this department are forwarded herewith. These reports contain detailed information regarding their activities during the year.

Respectfully submitted.

HONORIO VENTURA,
Secretary of the Interior.

His excellency the GOVERNOR GENERAL,
Manila.

Encls.

ANNUAL REPORT OF THE SECRETARY OF JUSTICE

DEPARTMENT OF JUSTICE,
Manila, April 9, 1926.

SIR: Pursuant to the provisions of section 91 of the Administrative Code, I have the honor to forward the following report, covering the business transacted by the department of justice during the year ending December 31, 1925.

OFFICE OF THE SECRETARY OF JUSTICE

PERSONNEL

No change has been effected in the department of justice personnel during the year 1925.

BILLS SUBMITTED

Seventeen bills were submitted by the department of justice to the legislature for enactment during the year covered by this report, but only four were passed, the most important of which are acts Nos. 3267 and 3244 entitled:

"An act to amend section 154 of the Administrative Code, as amended, and section 3 of Act No. 2941, as amended, and for other purposes. (Increasing the number of judges in the fourteenth judicial district and the salaries of judges in certain districts.)

"An act to amend the provisions of articles 518 and 534 of the Penal Code, by imposing more severe penalties in certain cases, and for other purposes."

PROSECUTION OF CRIMES

One of the important matters which has received special attention from the department of justice is that referring to the prosecution of crimes. In the Provinces where the congestion of criminal cases was noted additional judges were given special detail to help the district judges in the disposition of said cases, and in cases of serious nature special fiscals were assigned to help the local prosecuting attorneys in the conduct of the investigation of criminal cases with a view to insuring a prompt and more vigorous prosecution of violations of the law.

As to cases arising in connection with the violation of the gambling law, drastic measures were adopted by this department, by suggesting the judges of first instance, under department circular of March 13, 1925, that in cases of violation of said law more severe punishments be meted out to the accused by imposing upon them imprisonment besides fines, as the circumstances of each case demand. This is more so in the near-by Provinces, where the need of the campaign was more intensely felt, the judges having been requested by special communications to take more vigorous action in dealing with this kind of cases.

As to violations of the election law, this department in its desire to cooperate with the other branches of the government in insuring free, honest, and orderly elections, has instructed the proper prosecuting attorneys, under circular of June 3, 1925, to promptly and vigorously prosecute all violations of the election law, and judges of first instance were urged to take the necessary steps to expedite the trial and decision of cases involving any unlawful interference with the legal exercise of the right of suffrage.

Complaints against officials and employees under the supervision and control of the department of justice were duly investigated and appropriate action taken thereon, and by itself or through its official representatives the department of justice made several investigations for the different offices and branches of the government and conducted cases for them in the different courts throughout the islands.

ADMINISTRATION OF JUSTICE

SUPREME COURT

Personnel.—Mr. Justice Ramon Avanceña was promoted to, and took the oath of office as, chief justice of the supreme court on April 1, 1925, to succeed the Hon. Manuel Araullo, deceased, and Hon. Antonio Villareal was promoted from the position of attorney general to that of associate justice of the supreme court and took the oath of office on June 16 of the same year.

Business transacted.—At the end of the year 1924 there were 648 civil and criminal cases pending, and during the year 1925 there were 1,736 cases, civil and criminal, filed, against 1,694 cases filed during the previous year, or an increase of 42 cases during 1925. During the same year there were 1,658 civil and criminal cases disposed of, against 1,809 cases for the previous year, or a decrease of 151 cases in 1925. Fifty-six cases were pending decision at the close of 1925 and 670 cases were pending submission to the court, making a total of 726 cases pending at the end of 1925, against 648 cases pending at the end of the previous year, or 78 more cases pending at the end of 1925. As may be seen, there were less cases disposed of in 1925 than the previous year, due to the vacancy of one justiceship position which was only filled up on June 16, 1925, coupled with the fact that more cases were filed during 1925 than the previous year, and because of the further fact that one member of the supreme court (Mr. Justice Johnson) was, at the request of the Federal Government, assigned to Shanghai, China, in connection with the investigation of the riots that took place there during the early part of the year, and moreover said justice, upon his return from Shanghai, had, from time to time, been absent on special trips to the Provinces.

During the year there were 567 applicants admitted to take the bar examination as compared with 651 applicants of the previous year. Out of those 567 applicants only 544 were present at the examination, 366 having passed the bar examination against 196 of the previous year.

Three hundred and sixty-nine notaries public were commissioned during the year 1925 against 50 notaries appointed during the previous year.

The fees, fines, court costs, and bar examination fees collected during the year amounted to ₱44,756.06, against ₱42,106.08 collected during the previous year, or an increase of ₱2,649.98 in favor of 1925.

During the year 24 complaints were filed looking to the suspension or disbarment of the same number of attorneys, against 45 complaints filed during the previous year. Out of these 24 complaints, 12 were disposed of in due course, one was referred to the judge of first instance for investigation, 10 are still in the hands of the attorney general for investigation and report, and one is under consideration by the supreme court. There were also received three complaints against the same number of judges of first instance, two of which were disposed of and one is still pending consideration.

COURT OF FIRST INSTANCE

Due to the enactment into law of a bill, now Act No. 3267, submitted by this department to the legislature, the organization of the judiciary will be slightly changed. Under this act, there will be now two judges presiding over the court of first instance of the fourteenth judicial district, comprising the Provinces of Tayabas and Marinduque. Prior to the passage of this act, an ever increasing activities of the business of the court of first instance of Tayabas has been noticed that it was materially impossible for the only district judge to keep the docket of the court up to date, notwithstanding the fact that the auxiliary judge with station at Lucena has been constantly assigned to the Province of Tayabas to attend to the disposition of ordinary cases in conjunction with the district judge in order to relieve the congested condition of the docket of the court. Hence, the necessity of creating the position of an additional judge for the fourteenth judicial district.

Another feature of this act is the slight increase in the salaries of judges of certain districts, namely, the twelfth, fourteenth, and nineteenth districts, from ₱9,000 per annum to ₱10,000 per annum, and the fourth district from ₱8,000 per annum to ₱9,000 per annum.

Personnel.—With the exception of the promotion of Judge Quirico Abeto, upon recommendation of this department, from the seventeenth judicial district to the twenty-second judicial district, November 9, 1925, to succeed Hon. Delfin

Jaranilla, appointed attorney general, and the appointment of Judge Leonardo Garduño, without the recommendation of this office, to the seventeenth judicial district, no other appointments, promotions, or transfers have been made during the year covered by this report, said year ending with a vacancy in the judiciary, the position newly created by said Act No. 3267.

Business transacted.—Ever since the undersigned took charge of the department of justice, the matter of reducing to the least the number of pending cases in the courts of first instance throughout the islands has been the prime cause that has absorbed the attention of this department. No efforts have been spared to keep the minds of the judges always awake and make them feel the necessity of taking such steps as leading to the speedy dispatch of the business of their courts. Constant inspection of the dockets of all and everyone of the courts has been made by this office and proper instructions given to those judges whose dockets were found congested of many cases, in order to add extra time in the court sessions, and in cases where the assignment of additional judges was imperative, the undersigned has lost no time in taking the necessary action. Twenty-nine judges were assigned to vacation duty during the year 1925 and out of this number 21 and 12 additional judges were given special assignments in order to hold special terms in the different parts of the islands during the court vacation period.

During the year covered by this report there were filed in the courts of first instance throughout the islands 23,618 civil and criminal cases, against 20,904 cases for the previous year, or an increase of 2,714 cases filed in favor of 1925. During the same period there were 23,056 civil and criminal cases disposed of by the courts as compared with 23,785 cases disposed of during the previous year, or a decrease of 729 cases disposed of in 1925, and at the end of the year 1925 there were pending 22,836 cases, against 22,245 cases for the previous year, or 591 cases greater than the number of pending cases at the end of 1924. The above figures show that the number of cases pending at the end of 1925 is greater than during the previous year, which increase is due to the fact that during the year 1925 the number of cases filed is 2,714 greater than during previous year. As to the number of cases disposed of, it may be seen that there were 729 less cases disposed of during the year 1925 than the previous year. At the beginning of the year 1925 this department expected that the work of the courts, in so far as the number of ordinary cases disposed of is concerned, would give better results than the previous year, but the general elections came over, may election contests having been filed with the courts, and in view of the nature of said cases, requiring prompt determination, they were disposed of by the courts preferably over all other kinds of cases.

It goes without saying that besides the election cases, the matter of expediting the dispatch of cadastral cases throughout the islands has been the subject of constant attention on the part of this department, with the result that the court accomplishments during the year 1925 have exceeded those of the previous year in connection with cadastral cases.

Election cases.—In conformity with the requirements of the law and the policy of this department to have the election cases disposed of as speedily as possible, this department has discriminately treated said cases with special concern. Instructions were given to the judges to expedite the hearing of these cases and finally dispose of them within a very short period of time, by holding morning and afternoon and even night sessions, and suggesting them to deny unjustified and unreasonable petitions for the continuance of said cases in order to avoid delay in their disposition. Out of the 53 judges and auxiliary judges of first instance on duty during the year 1925, 36 including the 29 judges assigned to vacation duty, were sent to different localities of the islands more accessible to witnesses and parties in order to take charge of election contests filed with the several courts; most of those judges having been devoting their time for three or four months exclusively to the hearing of election cases—in fact, some of them are still trying election cases—so that out of the 261 election contests filed immediately after the general elections, only 28 cases remained undisposed at the end of the year 1925. Unlike ordinary cases, the procedure followed in election cases is more liable to delay because of the dilatory pleas which are usually resorted to by attorneys. While in ordinary cases a judge usually finishes three or four cases a day, in an election contest, a municipal case for instance, it takes him three or four days to finish it because of the long list of witnesses that both parties

ordinarily present besides the recounting and revision of the ballots, which absorbs most of the time of the judge. This is more apparent in a provincial election contest where the recounting and revision of the ballots affect all the precincts throughout the Province, for which reason the hearing of such cases lasts months over months and even a year.

Cadastral cases.—The increase in the activities of the courts noted in 1924, in so far as cadastral cases are concerned, continued during the year 1925. This is due to the persistent efforts of this department leading to the prompt termination of these cases by the courts. During the year, 12 judges were specially commissioned to take up cadastral cases, with instructions to hold sessions in the very places where the land in controversy is located in order to afford every facility to the interested parties. During the year covered by this report 30,618 decrees in cadastral cases were issued against 20,453 issued during the previous year, or an increase of 10,165 decrees in favor of 1925.

In justice to those members of the bench who have contributed by their cooperation to the materialization of the aim of this department—an efficient, impartial, and speedy administration of justice—the undersigned wishes to express his appreciation of the interest, zeal, and activity they have shown in the faithful fulfillment of their duties.

Collections.—During the year there were collected by the courts as costs, fees, and fines the amount of ₱327,056.78 against ₱334,986.81 collected during the previous year, or ₱7,930.03 less than the previous year.

JUSTICE OF THE PEACE COURTS

Personnel.—There were appointed during the year 95 justices and auxiliary justices of the peace throughout the islands. Out of the 10 justices of the peace retired on account of old age, 7 have been reinstated by virtue of the decision of the supreme court in the case of *Segovia v. Noel*. During the same year, charges have been preferred against 97 justices and auxiliary justices of the peace, 13 suspended, and 4 found guilty and removed from the service, and 15 cases pending final action at the close of the year.

Business transacted.—A supplementary report covering the business transacted by the justices of the peace throughout the islands during the year 1925 will be submitted as soon as complete data are available.

BUREAU OF JUSTICE

PERSONNEL

By virtue of the promotion of Hon. Antonio Villareal, then attorney general, to the position of associate justice of the supreme court of the Philippine Islands, Hon. Delfin Jaranilla, then judge of the twenty-second judicial district, was appointed attorney general on September 1, 1925, and on November 12 of the same year Hon. Alex. Reyes, senior assistant attorney of the bureau of justice, was appointed solicitor general. During the same year, several promotions of assistant attorneys and special attorneys were made as a result of the promotion of Hon. Alex. Reyes to the position of solicitor general.

For some time prior to the enactment of Act No. 3227, increasing the salary for the position of solicitor general, said position remained vacant as its filling was thought unnecessary, believing the attorney general with his staff sufficient to handle the business of the bureau of justice. But since the last half of the year 1924 an ever increasing activity of the bureau was noted that it was felt necessary to appoint another man to share responsibilities with the attorney general in the conduct of the business of the bureau, but inasmuch as the salary provided for the position was incommensurate with the responsibilities that the position carries with it, this department deemed it necessary to amend the salary law as regards the position of solicitor general, so as to induce a competent and experienced man to accept the appointment. The bill having been passed by the legislature, the department of justice recommended the appointment of Hon. Alex. Reyes, senior assistant attorney of the bureau of justice. The filling of the position of solicitor general is eloquently justified by the fact that during the year covered by this report the amount of work handled by the bureau of justice—consisting of various items, such as arguments and briefs filed in the supreme court, cases conducted in the courts of first instance of Manila as well as in the municipal court, investigations con-

ducted, cadastral and land registration cases, civil, military, and naval reservation cases, opinions rendered, mortgage and discharge of mortgage contracts, deeds of other contracts, estate of deceased Americans administered, excluding more than 180,000 official routine communications—was 9,870 as against 5,976 for the previous year, or an increase of 3,894 over the previous year which is equivalent to 65 per cent of the amount of work handled by the bureau during the year 1924.

BUSINESS TRANSACTED

During the year the attorney general rendered 291 written opinions to the different functionaries and officials of the government as against 281 opinions rendered during the previous year. During the same year the bureau of justice handled, in behalf of the different bureaus and offices of the government, 93 ordinary civil cases in the courts of first instance and municipal court of Manila and in the courts of first instance of the various provinces. There were also handled by the attorney general during the same year 17 cases of foreclosure of mortgage for the postal savings bank, Philippine National Bank, bureau of lands, and the late agricultural bank of the Philippine Islands, involving the amount of ₱230,023.61. The attorney general also handled, besides the 12 civil, military, and naval reservation cases, 7,263 ordinary land and cadastral cases throughout the islands in which the government was interested, having opposed 148 cases. He also appeared in 24 citizenship cases, in 1 of which the petitioner was denied admission, 4 were dismissed on motion of the attorneys for the petitioner, 1 is pending decision, 2 are pending hearing, and the remaining 16 were decided in favor of the petitioners. The attorney general also appeared in 36 extraordinary legal remedies, having won 23 of these cases, lost 2, 7 are pending decision by the supreme court, 2 dismissed on motion of the petitioners, and 2 pending hearing. During the same year the attorney general filed 705 briefs and arguments and 1,277 motions in the supreme court. He also conducted investigations against 25 attorneys and 9 candidates for the bar examination, looking toward their suspension, disbarment, and disqualification, and 6 administrative investigations. There were also prepared by the bureau of justice 68 contracts of mortgage involving the amount of ₱896,130 and 33 discharges of mortgage, and 11 contracts of miscellaneous character. Finally the attorney general disposed of 94,142 official communications.

COLLECTION OF ACCOUNTS

During the year the bureau of justice collected judicially or extra-judicially the amount of ₱25,650.50 due the different bureaus and offices of the government.

ADMINISTRATION OF ESTATES

As administrator of the estates of American citizens who died in the islands, the attorney general has undertaken during the fiscal year 1925 the administration of the estates of 48 citizens of the United States. During the same year the attorney general settled 26 estates and 72 left in process of settlements.

The following is a statement of the funds of the estates of the deceased citizens of the United States:

Balance, December 31, 1924.....	₱20,942. 56
Receipts, fiscal year 1925.....	33,825. 98
	54,768. 54
Disbursement, fiscal year 1925.....	23,693. 62
Balance, December 31, 1925.....	31,074. 92
	54,768. 54

GENERAL LAND REGISTRATION OFFICE

PERSONNEL

No change has been effected in the general land-registration office personnel during the year 1925.

BUSINESS TRANSACTIONS

There were issued by the office during the year covered by this report, 32,372 decrees, 1,754 being for ordinary land cases and 30,618 for cadastral cases, as against 2,012 and 20,453 decrees, respectively, issued during the previous year. These decrees comprise 34,239 lots covering an area of 1,050,924,285 square meters and relate to 1,420 cases against 24,841 lots covering an area of 744,381,258 square meters comprised in the decrees issued in 1,801 cases during the year 1924. There were also issued during the year 1,332 notices involving 48,346 parties notified as against 1,771 involving 66,889 parties notified in 1924. There were also examined for publication during the year 184 cadastral cases and 1,882 ordinary cases beside 1,420 cases for the issuance of decrees. There were also made 3,817 blue-print copies of plans against 5,266 copies made during the previous year. Finally, 32,188 original certificates of title with their corresponding ownership certificates were prepared and forwarded by the office to the various registers of deeds, as against 22,200 for the previous year.

Decrees.—The following table gives the number of decrees issued during the last eight years and the area of lands covered thereby, showing progress on per capita basis.

Years	Decrees total	Decrees per capita	Hectares total	Hectares per capita
1918.....	10,198	0.0009	52,624	0.005
1919.....	13,538	.0012	63,947	.006
1920.....	14,288	.0013	76,105	.007
1921.....	16,475	.0014	61,138	.0055
1922.....	13,996	.0012	59,621	.0052
1923.....	14,238	.0012	82,349	.0071
1924.....	22,465	.0019	74,438	.0063
1925.....	32,372	.0026	105,092	.0086

The per capita figures have been taken upon the basis of the population given in the census of 1918 for that year with a yearly increase of 2.3 per cent over each previous year for the next succeeding one. According to this the population for the year 1925 is assumed as 12,094,098.

The total number of decrees issued up to December 31, 1925, since the adoption in the Philippines of the Torrens title system is 200,844 which represent 0.016606 decree per capita, or 1 decree for every 60 inhabitants.

The total area of registered lands is 1,525,196 hectares and represent 0.1261 hectare or 1,261 square meters per capita. Taking the total area of the Philippine Islands as a basis, as given in the last census (29,529,600 hectares), the percentage of registered lands is about 5.17 per cent.

The above data do not include the area of patented lands under the provisions of the Public Land Act.

CASES DISPOSED OF BY THE COURTS

The following table is a summary, by fiscal years, of the total number of land registration cases (cadastral cases excluded) disposed of by the courts since the establishment of the Torrens system in the Philippine Islands up to December 31, 1925:

Fiscal years	Number of cases			
	Con- firmed	Denied	Dis- missed	Totals
1903 (to June 30)	19	-----	2	21
1903-1904	204	9	15	228
1904-1905	377	21	15	413
1905-1906	646	38	26	710
1906-1907	689	19	75	783
1907-1908	767	29	35	831
1908-1909	1,019	50	86	1,155
1909-1910	885	30	80	995
1910-1911	1,374	49	226	1,649
1911-1912	830	24	61	915
1912-1913	807	32	37	876
1913 (July 1-Dec. 31)	366	14	19	399
1914 (N. F. Y.)	747	26	19	792
1915	999	20	28	1,047
1916	982	25	66	1,073
1917	928	25	32	985
1918	992	12	31	1,036
1919	1,002	9	34	1,045
1920	1,859	14	34	1,907
1921	1,614	9	47	1,670
1922	1,496	9	86	1,591
1923	1,969	35	175	2,179
1924	1,504	11	200	1,715
1925	1,296	13	118	1,427
Total	23,371	524	1,547	25,442

Of the total ordinary cases disposed of during the year 1925, appeals were taken in 40 cases, while the number of appeals cases in 1924 was 36. The percentage of appealed cases in 1925 was 2.08 per cent against 2.09 per cent recorded for the preceding year.

CADASTRAL CASES

There were filed in the different Provinces throughout the islands during the year 1925 68 cadastral cases, comprising approximately 524,065 lots against 94 cases comprising 52,734 lots for the previous year.

The status of all cadastral cases during the year 1925 is shown in the following table as compared with the status during the previous year:

	Number of cases	
	1924	1925
Pending setting by the court	124	132
Already set but pending publication	15	7
Published but pending trial	9	13
Being tried or pending decision	118	91
Decision not final	58	98
Decision final but data are not complete for issuance of decree	29	36
Decrees issued pursuant to partial decision	14	15
Decrees being prepared	14	15
All decrees issued except for a few lots lacking data	258	293
All decrees issued	63	70
Total	702	770

MANILA CADASTRAL AND ORDINARY CASES

During the year 1 application for registration of land was received, and 3,228 ordinary cases and 78 cadastral cases, involving 13,647 lots, were examined. There were also filed 66 requests for advice from the registers of deeds, which were submitted to the judge, fourth branch, of the Court of First Instance of Manila.

REGISTERS OF DEEDS

With a view to carrying into effect the purposes of act 3156, 22 registers of deeds were regularly appointed for 22 Provinces. With these 22 appoint-

ments few positions remain unfilled to complete the number of registers of deeds provided in act 3156. During the year there were 41,517 certificates of title issued by the registers of deeds, as against 28,863 for the previous year; 17,423 instruments recorded under act 496, as compared with 14,672 for the previous year; 703 instruments recorded under the Spanish mortgage law, as against 782 recorded for the previous year; 7,369 instruments recorded under act 2837, as against 6,648 recorded for the previous year; 8,177 instruments recorded under the chattel mortgage law, as compared with 6,290 recorded for the previous year; 35 professional certificates recorded, as against 44 for the previous year; 1,174 certificates of apportionment of water according to priority, as against 499 for the previous year; and 5 certificates of water right recorded, as against 104 for the previous year. There were collected during the year ₱276,977.99, as compared with ₱145,517.70 for the previous year, or ₱131,460.29 greater than the amount collected during the year 1924.

COLLECTIONS

The total amount collected by the office aggregates the sum of ₱348,160.08, ₱276,977.99 of which corresponding to the registers of deeds, ₱32,984.39 to the clerks of court, and ₱38,197.77 to the main office.

EXPENDITURES

During the year the expenses of the office amounted to ₱372,957.01, as against ₱287,931.62 for the previous year. The increase is due to the fact that the expenditures of the registers of deeds offices during the year 1924 covered a period of 7 months only, the reorganization of said offices having been effected on June 1, 1924.

PUBLIC UTILITY COMMISSION

PERSONNEL

With the exception of some minor appointments, no important changes have been effected during the year 1925.

BUSINESS TRANSACTED

The increases noted in the activities of the commission in 1924 continued during the year covered by this report, the greatest number of cases having been filed in 1925 since the organization of the former board of public utility commissioner in 1914. This is due to the persistent efforts of the commission to have the public utility law and regulations enforced to the fullest extent, by requiring the operating utilities to secure certificates of public convenience, and to the opening of new roads, or the extension of those existing ones, as well as to the improvement of the existing transportation utilities. Regular service by sea has been established, so that many ports now enjoy the benefits of regular service, vessels that were denied certificates of public convenience on runs with regular service being diverted to runs where irregular or no service at all existed, with the result that those operating from Manila to Batangas, Mindoro, and Tayabas coasts have diverted to Mindanao ports, and regular service maintained between Manila and Zamboanga and Davao, Zamboanga and Basilan, Manila and Romblon, Zamboanga and Jolo ports, Romblon and Capiz and Masbate ports, these last ports being now visited not only by one or two vessels operated by one company, as heretofore, but also by many steamers operated by several companies. Communication by land has also been improved, automobile or truck line now regularly operating on every road of the islands that is open to traffic. This policy will surely influence the rapid development of various sections, as by means of this system of transportation products of different parts of the islands can be placed in the market. The number of cases handled by the commission during the year was 2,493, classified as follows: In re certificate of public convenience, 1,112 cases; sales of property, 33; modification in rates, 98; modifications of certificate of public convenience, 12; revocation of certificate of public convenience, 1; change in itineraries and schedules, 51; change in equipment, 13; special

permits, 442; complaints filed against various utilities, 240; petition for foreclosure of mortgage, 1; sale of season tickets, 3; increase of equipment, 196; increase of production, 1; substitution of equipment, 159; extension of route or line, 45; authority to issue bond, 1; and miscellaneous matters, 45.

The following is a comparative statement of cases filed with the commission every year since the organization of the former board of public utility commissioners in 1914:

1914-----	164	1921-----	512
1915-----	550	1922-----	488
1916-----	116	1923-----	1,144
1917-----	141	1924-----	1,862
1918-----	299	1925-----	2,493
1919-----	428		
1920-----	415	Total-----	8,612

RATE CASES

No change in the interisland shipping rates, as required in the previous year, took place during the year covered by this report. All vessels which the commission required to secure certificates of public convenience and those operated by the Pacific Commercial Co., as well as some of the steam vessels in Vasayan waters, are now operating under the pre-war rates. As to transportation by land, there are now several large companies, Filipinos and Americans, operating automobile and truck service offering the cheapest transportation in the islands, having reduced their rates to as low as 2 centavos per kilometer per passenger, and even lower, so that we can say that the business of the islands is returning to a state of normalcy, and the relative prosperity now enjoyed is due, to a certain extent, to transportation agencies. As to railroad, several reductions in the passenger and freight rates have been made by the company during the year, the largest reduction having been made by the Legaspi division. Finally, electric plants and ice factories operating in some Provinces have made reductions in their rates as low as in Manila.

NUMBER OF UTILITIES

The number of existing utilities in 1925, and over which the commission exercises continued supervision, aside from the expeditious handling of the regular work in formal cases, was 2,208, or 40 per cent greater than the utilities operating during the previous year, the autotricks and automobiles leading in number. These utilities are classified as follows:

Number	Number
Autotricks and automobiles----- 1,415	Railroads----- 4
Bancas----- 22	Radio system----- 1
Electric plants----- 65	Steamers and steamship lines-- 98
Ferries----- 3	Street railways----- 1
Gas plant----- 1	Telephone systems----- 39
Ice plants----- 28	Water systems----- 7
Lorchas, pailboats, and sailboats----- 351	Wharves----- 28
Minor motor launches----- 51	Total----- 2,208
Motor launches----- 94	

The above includes insular, provincial, and municipal government operating wharf system, ice plants, electric systems, and transportation service, over which the commission likewise exercises jurisdiction and control.

INCOMES AND EXPENSES

The total incomes from all sources of the commission for the year 1925 aggregate the sum of ₱65,978.36, as against ₱45,084.73 for 1924, or ₱22,893.63 greater than the amount collected during the previous year, while the total expenses for the whole year amounted to ₱88,264.16, as against ₱67,277.62 for the previous year.

BUREAU OF PRISONS

PERSONNEL

With the exception of the retirement of Mr. Philip Jones from the position of superintendent of San Ramon Penal Farm, effective September 15, 1925,

and the designation of Capt. Eriberto B. Misa as acting superintendent thereof, no other important changes have been made during the year.

PRISON POPULATION

The actual prison population of the Philippine Islands on December 31, 1925, was distributed as follows:

Bilibid Prison.....	2,740
Iwahig penal colony.....	1,360
Members of colonists' families.....	(234)
San Ramon Prison and Penal Farm.....	707
Working at Corregidor.....	526
Constabulary stations.....	79
San Lazaro Insane Asylum.....	28
Luneta police station.....	57
Confined in provincial jails.....	1,236

Total..... 6,733

The above total represents an increase of 140 prisoners for 1925. This increase is due to the confinement of the so-called "colorums" involved in the Nueva Ecija riot in 1925 and of the followers of Datu Santiago convicted by the court of first instance of Lanao. The following is a comparative statement showing the number of prisoners in confinement on December 31 for the past six years:

	1920	1921	1922	1923	1924	1925
Bilibid Prison.....	2,793	2,769	2,148	2,078	2,474	2,740
Iwahig penal colony.....	1,100	1,047	1,368	1,314	1,538	1,360
(Prisoners' family).....	(30)	(38)	(85)	(152)	(211)	(234)
San Ramon Prison and Penal Farm.....	612	655	767	699	628	707
Fort Mills Stockade, Corregidor.....	627	793	244	573	458	526
Bontoe Prison.....	---	140	125	125	97	---
Philippine Constabulary stations.....	30	29	43	69	77	79
Puerto Princess, Palawan.....	21	1	100	39	---	---
Philippine Training School for Boys.....	3	1	1	2	---	---
Police stations, Manila.....	42	49	60	51	52	57
San Lazaro Insane Asylum.....	26	18	38	26	28	28
Provincial prisons.....	1,576	1,590	1,296	1,343	1,237	1,236
Total.....	6,830	7,092	6,190	6,319	6,593	6,733

The following is a statement showing the movements of prisoners during the year 1925 in the different insular penitentiaries of the islands:

	Bilibid	Iwahig	San Ramon	Bontoe	Corregidor	Other stations
Present Jan. 1, 1925.....	2,474	1,538	628	97	458	161
Received during the year:						
By commitments.....	5,087	---	230	60	---	---
By capture.....	6	6	10	---	---	1
By transfer.....	1,093	124	86	---	530	236
Total.....	8,660	1,668	954	157	988	398
Released during the year:						
By expiration of sentence.....	3,726	---	58	22	---	5
By order of court.....	635	---	3	19	---	---
By conditional pardon.....	373	3	69	2	---	1
By unconditional pardon.....	1	---	1	---	---	---
By deportation to the United States.....	8	---	---	---	---	---
By deportation to China.....	23	---	---	---	---	---
By execution.....	3	---	---	---	---	---
By death.....	78	40	7	1	4	6
By escape.....	3	4	20	1	---	1
By transfer.....	1,070	261	89	112	458	221
Total.....	5,920	308	247	157	462	234
Remaining Dec. 31, 1925.....	2,740	1,360	707	---	526	164

CRIMES COMMITTED

The principal crimes committed by the prisoners confined in Bilibid Prison during the year covered by this report are, as in the previous year, homicide, murder, theft, and robbery, the number of prisoners committed to Bilibid for each of the above-mentioned crimes during the past six years being shown in the following table, no data being available of those committed to San Ramon and provincial prisons:

	1920	1921	1922	1923	1924	1925
Homicide.....	167	192	192	164	285	229
Murder.....	78	185	75	82	103	104
Robbery.....	308	246	233	202	209	232
Theft.....	871	773	732	731	783	630

The important crimes for which commitments were made during the year 1925 are shown in the following table:

Crimes	In confinement Jan. 1, 1925	Received	Dropped	In confinement Dec. 31, 1925
Adultery.....	66	130	149	47
Embezzlement.....	156	364	295	225
Homicide.....	1,045	670	536	1,179
Misappropriation of public funds.....	32	21	25	28
Murder.....	827	356	296	854
Paricide.....	163	38	20	181
Physical injuries.....	117	250	224	123
Rape.....	912	639	637	914
Robbery.....	4	102	104	3
Theft.....	763	1,407	1,394	776
Violation of opium law.....	77	306	338	46

DISCIPLINE

Discipline being one of the essential factors for the successful management of a penal institution, no efforts have been spared in strictly enforcing disciplinary measures and the prison rules and regulations. Thanks to these measures, the conduct observed by the prisoners in general has been excellent, in spite of the increase of the convict population during the year. All and every violation of discipline rules and regulations has been dealt with in accordance with the prison rules and regulations, and serious offenses taken up with the courts of justice. Only two serious cases occurred in Bilibid during the year, the offenders having been brought to the court and punishment properly meted out to them. In the Iwahig penal colony and in the San Ramon Penal Farm the conduct of the prisoners had been fairly good, although 15 prisoners had been returned to Bilibid from Iwahig for recommitment due to bad conduct, and two serious cases, one in Iwahig and another in San Ramon, were registered, the offenders having been duly punished according to law.

In connection with the enforcement of the discipline rules and regulations inside the Bilibid prisons, it is gratifying to state that laudable remarks have been made by local and foreign authorities, the most important and worth mentioning one is that made by a distinguished American tourist, Hon. C. F. Heblein, chairman of the public safety commission of Louisville, Ky., who happened to visit the Bilibid prisons in his tour around the world. He said: "Your prison is wonderfully well conducted and your discipline tends to build up the manhood and moral fiber of your prisoners."

HEALTH AND SANITATION

Health being essential for the preservation of the life of the prisoners, steps have been taken for the enforcement of the sanitary measures. As a whole, the general health of the prisoners confined in various places is satisfactory,

taking into consideration the fact that a less number of deaths have been registered in 1925 than the previous year. Out of the 78 deaths registered during the year in Bilibid, 34 were due to pulmonary tuberculosis while the rest to other diseases; 13 of the 40 cases registered in Iwahig penal colony were due to pulmonary tuberculosis and the rest to other diseases, and the daily average of patients admitted in the Iwahig Hospital was 2.410 while that for the previous year was 0.500. In San Ramon Penal Farm 7 deaths were registered during the year, as against 4 of the previous year, while in Bontoc only 1 case was registered, as against 7 of the previous year. The deaths registered among insular prisoners at the places where they were stationed for the past six years are as follows:

	1920	1921	1922	1923	1924	1925
Bilibid Prison.....	103	120	108	64	88	78
Iwahig penal colony.....	21	32	43	48	36	40
San Ramon Penal Farm.....	5	2	5	2	4	7
Bontoc.....				4	7	1
Corregidor.....	1	66	5	5	2	4
Other stations.....	2	3	5	11	6	6
Total.....	132	163	166	134	143	136

RELIGION

Religion renders no little help in the reformation of the convicts, and for this reason every effort has been exerted to have regular religious exercises held in the penal institutions of the islands. As usual, religious services are held by prison chaplains at the Bilibid prison and Iwahig penal colony, and visits are also made by them to prisoners requiring religious comfort. Prisoners are encouraged to attend religious services and given opportunity to receive spiritual attention from ministers of their respective churches, and visits by members of different religious creeds for moral teaching and instruction are also allowed, and books, periodicals and pamphlets on religious matters being distributed among the prisoners. Religious exercises are also held in San Ramon Penal Farm by a Roman Catholic priest and also by the Bishop of Zamboanga who have also visited sick prisoners and performed funeral services for the dead. Moro priests, inmates of the institution, are also permitted to hold Mohammedan service.

AMUSEMENTS AND ENTERTAINMENTS

No efforts have been spared to provide prisoners with wholesome and instructive amusements. Usual recreations and entertainments consisting of athletic games and literary theatrical and musical programs were given. The Bilibid band has given daily concerts at the retreat formation, and the Bilibid orchestra rendered musical programs on Saturdays, Sundays, and holidays. Through the kindness of the manager of the Universal Film Manufacturing Co., who furnished films free of charge, cinematograph shows, which were believed to help in the rehabilitation of the convicts have also been given on Saturday and Sunday evenings. In Iwahig penal colony and in San Ramon penal farm, entertainment of the prisoners has not been neglected, athletic programs have also been held in said places during the year.

EDUCATION

Inasmuch as education is one of the important factors in character building and in molding the mind of the prisoners it has been given special concern by prison authorities. Prisoners are not only accustomed to do manual work but are also afforded every opportunity to improve their intellectual capacity. Night classes are given by prisoners of fairly good education who were used as teachers for the benefit of those who are engaged in industrial and other activities during the day, and day classes are held for the benefit of young prisoners who have not completed elementary courses, and books were donated to the prison schools for the use of the prisoners through the generosity of the bureau of education. In Iwahig penal colony there is a primary school with

a teacher paid by the bureau of education for the elementary education of the children of the colonists. A similar school exists in the San Ramon Penal Farm.

PROVINCIAL JAILS

Thanks to the monthly reports submitted by the provincial commanders and by the judges of first instance as required by law and by a department circular, and also the inspection the director of prisons makes from time to time of the provisional jails throughout the islands, the department of justice is able to know the defects of the jails in the Provinces. Every defect noted has been reported to the authorities concerned for the taking of the necessary steps looking to the improvement of the conditions of the jails and prisoners. In the majority of cases, the recommendations and suggestions of the department were given due consideration and proper action taken.

With a view to insuring more efficiency in the handling of prisoners by the provincial wardens a bill has been submitted by this department whereby it was proposed to place under the control and supervision of the director of prisons the provincial wardens, but for some reason or other it failed to receive favorable consideration. This measure was believed to be necessary in order to enable the insular prison authorities to exercise a more rigid supervision over provincial wardens who were made victims of party politics in most cases.

For the purpose of adopting measures leading to the efficient administration of provincial prisons, a convention of provincial wardens was called in 1925. During the convention instructions and lectures dealing with prison administration and discipline were given and delivered by prison officials. One of the matters submitted to the convention was that relative to the enforcement of the prison rules and regulations. It was found out during the convention that most of the provincial wardens were not familiar with these rules and regulations as regards the computation of the prisoners' sentences. This was important, inasmuch as because of the failure of many wardens to accurately compute the prisoners' sentences, these are released before or after the expirations of the sentences in violation of the law. This, at least, has been observed in many cases, due to the nonfamiliarity of the wardens with the prison rules and regulations.

EXPENSES AND INCOMES

The expenses of the prison division of the bureau of prisons during the year 1925 exceeded those of the previous year, due to the extraordinary number of prisoners committed during the year. As to the expenses of the industrial division, a saving of ₱55,997.78 from the amount allotted to this division was made during the year. The following comparative statement shows the yearly expenditures of the bureau of prisons for the last four years.

Prison division.—1922, ₱938,317.72; 1923, ₱792,799.89; 1924, ₱842,425.99; 1925, ₱891,531.37.

Industrial division.—1922, ₱316,098.05; 1923, ₱207,484.76; 1924, ₱225,887.15; 1925, ₱239,169.25.

The total cost of maintenance of prisoners in Bilibid, Iwahig, and San Ramon amounted to ₱507,442.08, ₱219,019.51, and ₱153,595.28, respectively, and the average cost of maintenance per day of each prisoner was about ₱0.55 in Bilibid, ₱0.41 in Iwahig, and ₱0.61 in San Ramon. The following is a comparative statement showing the yearly and daily cost of maintenance of each prisoner confined in each of the three insular penitentiaries during the last two years. The cost of maintenance includes subsistence, clothing, bedding, medicine, administration expenses, etc.:

Division	Maintenance	Average number of prisoners	1924		1925	
			Yearly	Daily	Yearly	Daily
Bilibid.....	₱507,442.08	2,517.6	₱224.74	₱0.6129	₱201.16	₱0.5511
Iwahig.....	219,019.51	1,468	121.76	.3335	149.13	.4086
San Ramon.....	153,595.28	706.3	166.36	.4457	217.46	.5985

The greatest part of the subsistence supplies consumed by the prisoners in the colonies are produced by the Iwahig penal colony and San Ramon penal farm. At Bilibid the subsistence supplies consumed are mostly purchased, while at Bontoc insular prison the subsistence of prisoners until their transfer to Bilibid was furnished under contract. The following is a comparative statement showing the amount of subsistence supplies purchased and produced during the year:

	Purchased	Produced	Total
Bilibid.....	P247,769.06	P1,559.90	P249,328.96
Iwahig.....	6,475.03	159,511.43	165,986.46
San Ramon.....	2,942.22	86,593.80	89,536.02
Bontoc.....	3,875.10		3,875.10
Total.....	261,061.41	247,665.13	508,726.54

The cost of subsistence of prisoners in Bilibid and Iwahig penal colony has been lower during the year 1925 than the previous year. In San Ramon penal farm the cost of subsistence has been higher than the previous year in view of the failure of crops. Following is a comparative statement showing the daily cost of subsistence of prisoners per capita:

	1922	1923	1924	1925
Bilibid.....	P0.2216	P0.1885	P0.1785	P0.1768
Iwahig.....	.1694	.1612	.1477	.1420
San Ramon.....	.1391	.1459	.1468	.22
Bontoc.....		.275	.275	.30

The total incomes of the Iwahig penal colony, San Ramon penal farm, and Bontoc prison during the year amounted to P113,808.43, P94,500.31, and P4,891.85, respectively, and the total gross revenue of Bilibid was P105,095.27 and that of the industrial division P238,092.94, or a total of P556,388.80, which, together with the improvement made in the different insular penitentiaries, gives the total sum of P771,899.45.

PARDONS

During the year covered by this report, 448 prisoners were granted conditional pardon and 2 unconditional pardon by the Governor General upon the recommendation of the board of pardons created by Executive order No. 47, of 1922. Taking into consideration the cost of maintenance of each prisoner in the different insular penitentiaries, which includes subsistence, clothing, bedding, medicine, administration expenses, etc., we can say that the government has saved P83,363.50 due to the release of said prisoners. There were also deported during the year 8 prisoners to the United States of America and 23 to China.

VISITORS

That the bureau of prisons is one of the interesting institutions of the islands, is evidenced by the fact that among the important places visited by the tourists who happened to come to the islands Bilibid has never been omitted. During the year, about 25,000 persons from different walks of life visited the Bilibid prisons, excluding the parents and relatives of the prisoners. Out of these 25,000 visitors, 2,000 were "globe trotters" brought by different tourist steamers. It is gratifying to note that unsolicited remarks have been made by some of the distinguished tourists praising the management, discipline, and sanitary conditions of Bilibid prisons. These remarks can be found in the annual report of the director of prisons.

Taking into consideration the great benefits that can be derived from the sending of government officials to study the penitentiary systems in foreign countries, this department recommended to his excellency the governor general, the designation of Manuel A. Alzate, assistant director of prisons, to rep-

resent the Philippine government in the Ninth International Prison Congress held in London, England, August 3-10, 1925. An advanced report of the activities of Mr. Alzate in the congress has already been submitted to his excellency the governor general, and an exhaustive one is being prepared and will be submitted shortly. In order to give an idea of the character of the work done by Mr. Alzate in the congress, it is quoted, in part, hereunder a letter of the international prison commissioner dated November 12, 1925, addressed to his excellency the governor general:

"I want to thank you for the interest you displayed at this event, and to express by appreciation of your appointment of Manuel A. Alzate.

"Mr. Alzate made a very wonderful representative of the Philippine Islands. The scope of his knowledge of prisons and statistics was unbounded, and we were very proud to have the Philippine Islands represented by such an able man."

PHILIPPINE LIBRARY AND MUSEUM

During the year covered by this report an increase in every line of the activities of the Philippine Library and Museum has been noted. Considerable work of publicity through the newspapers has been done during the year, bringing to the attention of the public the different items of interest of the Philippine Library and Museum. Publicity work has also been carried out by correspondence, mimeographed letters having been sent to different schools, colleges, and universities and other educational institutions, inviting their students to visit the library and make use of its resources and the service that it affords. The bulletin-board system has been greatly improved, through which the precious manuscripts and other treasures of the library have been exhibited to the public. This has attracted thousands of visitors in the library, especially during the month of December, when for the first time the manuscripts of Rizal's "Noli me Tangere" and "El Filibusterismo" and his other famous works were exhibited therein. There were registered 12,447 visitors during the year, as against 8,883 recorded during the previous year. By acts 3130 and 3141 the long-felt desire of the Philippine government to own the interesting collection of the famous Filipinologist Wenceslao E. Retana and the original manuscript of Rizal's "El Filibusterismo" has been accomplished.

PERSONNEL

Many changes have been made in the Philippine library's personnel. At the beginning of the year 1925 Jose Zurbito, assistant director, resigned and Hon. Jayme C. de Veyra was appointed to succeed him. On March 26, 1925, Dr. P. H. Pardo de Tavera, director of the Philippine Library and Museum, died, and Assistant Director De Veyra was designated acting director. While Mr. de Veyra was acting director, Epifanio de los Santos, then provincial fiscal of Bulacan, was appointed director on May 16, 1925. Mr. de Veyra resigned on June 16 of the same year, and Fernando Canon was appointed *ad interim* by the Governor General to the position left by Mr. de Veyra, which position was held by Mr. Canon until August 11, 1925, the date when he ceased because the senate failed to confirm his appointment. The undersigned wished to make of record that by the death of Doctor Tavera the Philippines in general lost a prominent scholar, and department of justice, in particular, a model public servant. The undersigned wishes to make an official recognition of the valuable services rendered by him as director of the Philippine Library and Museum, whose progress and prosperity are due in part to his activities and efficient administration.

BUSINESS TRANSACTED

At the close of the year 1925 there were 133,392 bound volumes for the use of the public, or an increase of 3,480 books over the number of books in existence during the previous year. There were acquired during the year 28,049 pamphlets which, added to the 266,665 pamphlets in existence on December 31, 1924, makes a total collection of 293,531 pamphlets at the end of the year 1925. There were also 4,331 manuscript collections during the year, excluding the "Retana collection." There were also 1,026 maps and 715 periodicals to which the library was subscribed. These periodicals include the magazines and newspapers edited in the Philippines and in the United States and foreign countries.

During the year there were registered 4,878 borrowers, 1,985 in the Manila Central Library and 2,893 in the provincial branches, which, added to the number of registered borrowers at the end of the year 1924, make a total of 60,924 registered borrowers at the end of the year 1925. During the year there were issued 223,651 books for home use, or 20,006 less than the previous year, and 123,091 books circulated in the central library and 100,560 in the branch libraries, and the number of books consulted was 396,327, 240,597 being in provincial service, or an increase of 72,409 over the total number of books used and consulted during the previous year. The number of readers recorded in 1925 also shows an increase of 73,713 over the previous year, 388,233 having been recorded in 1924, while this item shows a total of 461,946 in 1925. There were also 200 works copyrighted, as against 100 of the previous year, showing an increase of 100 per cent. Assistance was also rendered in the preparation of research work along the lines of different topics as requested by the members of the legislature, different government officials, and the public in general, 109 researches having been made in 1925, as against 151 of the previous year. The number of bills drafted amounted to 145, as against 106 of the previous year.

LIBRARY BRANCHES

With a view to extending to the public the benefits of a public library and in order to acquaint them with the usefulness of the library service, every facility has been afforded for the establishment of branch libraries in the different parts of the islands. During the year two new branches have been organized—the Baguio branch on June 16, 1925, and the Bohol branch on September 7, 1925. Several requests have been received for the establishment of library branches in the Provinces of La Union, Tayabas, Camarines Norte, Nueva Ecija, and Cotabato, but in view of the retrenchment policy of the government no appropriation has been made for these Provinces. Besides the two above-mentioned branch libraries for Baguio and Bohol, three new deposit stations were also authorized in Daet, Camarines Norte, Iwahig penal colony, and Dumaguete, oriental negros. During the year there were 10 library branches in active operation in the different Provinces of the islands, and the number of books in existence in 1925 was 26,582, as against 22,790 of the previous year, and 315 periodicals and magazines subscribed, as against 316 for the same item corresponding to the previous year. In the number of card holders or borrowers Iloilo led, with 3,781, Ilocos Norte and Cebu ranking second and third, with 3,115 and 2,957, respectively. As to books circulated, Cebu led, as in the previous year, with 18,392, Iloilo and Pangasinan ranking second and third, with 15,022 and 13,292, respectively. As to the number of references of materials consulted in the reading rooms, Ilocos Norte ranked first, with 73,668, Pangasinan and Batangas ranking second and third, with 66,671 and 30,972, respectively. As to the number of readers, Ilocos Norte again ranked first, with 74,758, and Batangas and Pangasinan ranking second and third, with 55,086 and 47,734, respectively.

BUREAU OF SCIENCE LIBRARY

During the year there were 2,120 bound volumes added to the collection of the library, or 245 more than the number of bound volumes accessioned during the previous year, thereby making a total collection of 57,504 for 1925, excluding the deductions made by transfer, losses, and donations. There were also 31,199 unbound volumes, which, added to the bound ones, make a total of 88,703 volumes in existence at the close of the year 1925. There were also 10,418 publications charged out during the year and 34,099 publications consulted in the reading rooms of the library, the largest for any year, showing an increase of 4,432 over that of the previous year. As to the reference service of the library, 85 references requiring research were furnished different classes of people, largely professional and business men, government employees, and students.

SUPREME COURT LIBRARY

There were received during the year 612 books, which, added to the number of books in existence in the library at the end of 1924, makes a total collection of 15,899 volumes, containing in all 1,409 titles. There were also registered dur-

ing the year 5,850 readers, or 450 over that of 1924, and 120 borrowers, or 83 less than the previous year. There were five law journals subscribed during the year.

MUSEUM ACTIVITIES

In spite of lack of funds of the library to purchase museum collections, which are as yet inadequately represented in the Philippine Museum, and of the lack of building accommodations to exhibit the collections in storage, the work of the museum was carried on as usual, and the use of the museum by the public in general and by the students in particular has been considerable. Publicity work has been carried on during the year, attention having been directed to the different objects of interest of the museum for the public to appreciate their historical, ethnological, artistic, and scientific value. As to the use of the museum by the public, all persons were admitted free to visit the exhibition, 8,022 visitors having been registered during the year, or 1,498 more than the previous year, two-thirds of whom were students and tourists and the remainder scientists. During the year there were added to the collection of the museum many interesting objects of historical and artistic value, such as a funeral wreath carved in wood, said to have been used in the necrological services held in Manila in 1878 in memory of Queen Mercedes of Spain, and two picture frames carved in wood, containing typical Filipino scenes, all donated by Mr. Isabelo Tampingco; a portrait in oil painting of the first civil Governor of the Philippines, Hon. William H. Taft, and another, also in oil, of Hon. Arthur W. Ferguson, first executive secretary of the Philippines, both painted by our famous Fabian de la Rosa, and donated by Mr. Manuel de Yriarte, former assistant director of the Philippine Library and Museum; a set of samples, consisting of 32 pieces of porcelain work, made in the Philippines, donated by Mr. Enrique Zobel; a genuine Samurai sword donated by Gen. Artemio Ricarte; and a wonderful statue, entitled "Il Saluto Romano," by G. E. Tolentino, and a book entitled "Restauri della Roma Imperiale," by Giuseppe Gotteschi, both donated by Mr. C. Lammoglia on behalf of the Italian community and through the mediation of the Italian consul.

BUILDING AND SPACE PROBLEM

Thanks for the allotment to the Philippine Library and Museum of the whole basement of the legislative building, which will be ready for occupation some time in July, 1926; the space and building problem of the library will then be partly solved. The activities of the library have outgrown the present building, so that it now appears to be inadequate for library and museum purposes. Thousands of books and other important publications are not made accessible to the public for lack of space, and some of the important divisions of the library, such as the archives and the museum, are housed in different parts of the city, thousands of important documents not being properly kept and museum specimens stored instead of being exhibited. With the acquisition of the new building it is believed that the Philippine Library and Museum will be in a position to render better service to the public in the future, as desired.

TOTAL VALUE OF THE PROPERTY

The total value of the entire property of the Philippine Library and Museum at the end of 1925 was ₱929,652.79, or an increase of ₱50,809.11 over the previous year, due to the new books, acquired during the year. The valuation includes the amounts paid by the government for special collections.

INCOMES AND EXPENSES

The total incomes of the Philippine Library and Museum during the year from different sources aggregate the sum of ₱3,530.77, as against ₱3,550.93 of the previous year, while the expenses incurred during the year was ₱153,781.17, as compared with ₱179,671.47 for the previous year, or ₱25,890.30 less than the previous year, although the business transacted during the year 1925 has been much greater

than in 1924. A saving of ₱9,442.32 was also made during the year, this figure representing the unexpended amount at the end of 1925, and reverted to the insular treasury.

CONCLUSION

After a comparative examination of the business transacted by the department of justice during the years 1924 and 1925, we can affirmatively state that, in line with the "four-year program" submitted by this department to his excellency, the Governor General, there has been a remarkable increase in every line of the activities of the bureaus and offices under the department of justice during the year covered by this report.

Before concluding, the undersigned feels that he should, and so he does, express his appreciation to the chiefs of the bureaus and offices and other officials under the department of justice for their valuable cooperation with the department in the successful administration of its affairs.

Respectfully submitted.

LUIS P. TORRES,
Acting Secretary of Justice.

His excellency the GOVERNOR GENERAL,
Malacañang.

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